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DOCUMENTS ON BRITISH FOREIGN POLICY 1919-1939

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Second Series, Volume XI

Far Eastern Affairs
October 13, 1932-June 3, 1933

PREFACE

THIS volume deals with the final stages of the Manchurian crisis from mid-October 1932 to the signing of the Tangku truce agreement on May 31, 1933. After the Lytton Commission had completed its report and departed from the Far East early in September 1932 (Vol. X, document No. 654), it was for the Assembly of the League of Nations and the 'Committee of Nineteen', which the Assembly had appointed in March 1932, to make a decision as to future action. But while the talks were proceeding at Geneva the advance of Japanese troops in Jehol and over the Great Wall into northern Chinese territory added to the uncertainties of the situation and did not make it easier for the League members to find an acceptable solution of the Manchurian problem.

Chapter I deals with the discussions leading to the meetings of the Special Session of the Assembly on December 6 to 9 and the subsequent discussions during December in the Committee of Nineteen. Sir John Pratt's memorandum of December 3 (document No. 85) summarizes the British Government's views on the eve of the decisive debate. He thought that the Japanese were 'very anxious to enter into direct negotiations with the Chinese', and 'very anxious to avoid any open or final break with the League'. It seemed, nevertheless, that Japanese delegates would withdraw from the Assembly in the event of 'a Resolution censuring Japan or endeavouring to *impose* a settlement'. The general opinion of the Assembly would probably favour an attempt to effect a settlement by conciliation, and he thought that it would be preferable in the opening stages 'that the British Government should avoid taking a prominent or a leading part'.

Sir John Simon's speech at the plenary meeting of the Assembly on December 7 was subsequently criticized in the Chinese press as being too favourable to Japan. He explained in a cabinet memorandum of December 11 that he had merely been trying to correct the universal hostility to Japan of the speeches of many of the minor powers during the first two days of the debate. The line taken by Britain was really, he said, the same as that of France, Italy, and Germany, but 'as seems always to happen at Geneva, the British speech was the only one that attracted much attention' (document No. 103). However, he told the Chinese and Japanese delegates at separate meetings on December 8 that it must not be supposed that, in pursuing the path of conciliation, His Majesty's Government were indifferent to the breach of the Covenant that had occurred (document No. 91). After the Assembly on December 9 had requested the Committee of Nineteen to draw up proposals for the settlement of the dispute, Sir John Simon favoured for some days the setting up of a 'small body for conciliation' 'much in the way in which conciliation was promoted in the Shanghai matter' (document No. 109). It

is evident that he was attracted by the idea of arranging for Sir Miles Lampson to repeat at Geneva his successful role in the Shanghai negotiations (cf. document No. 56). Sir Miles Lampson himself doubted the wisdom of this plan (cf. document No. 54), which Sir John Simon had abandoned by December 15 (cf. document No. 91, note 1), and Sir Miles was accordingly able to sail for the Far East on the following day, as previously arranged.

When the Committee of Nineteen met on December 12 Sir John Simon's influence was thrown against any attempt by the Committee to pass judgment or fix responsibility before a 'genuine attempt at conciliation' had been made (document No. 110). On December 15 the Committee adopted proposals for effecting a settlement between China and Japan by means of a committee consisting of members of the Committee of Nineteen together with representatives of the United States and Soviet Union. This committee was to report by March 1, 1933. An accompanying draft 'Statement of Reasons' defined the procedure and powers of this committee, and ended with a paragraph stating that while the mere return to conditions existing before September 1931 would not suffice, the recognition and maintenance of the present regime could also not be regarded as a solution. The Japanese Government made known on December 18 its inability to accept this final paragraph; it objected to the inclusion of Soviet Russian and American delegates, and it proposed that the negotiations should be between China and Japan alone.

Chapter II deals with the action of the League of Nations during January and February 1933 consequent upon these Japanese objections. By January 21 it had become clear that Japan was not prepared to accept the Resolution and Statement of Reasons, even though the former had been modified by the omission of the invitation to non-member states to take part in the conciliation negotiations and by an agreement that the parties should be allowed to make reservations to the latter. Japan's attitude was considered to have made it impossible to pursue conciliation further under Article 15 paragraph 3 of the Covenant of the League, and the next step accordingly was to make and publish a report under paragraph 4 containing a statement of the facts of the dispute and recommendations in regard thereto. On January 23 a drafting committee was appointed, and it decided to present a report in four parts, of which the first three dealt with the development of the crisis, the discussions at Geneva, and conclusions, and the fourth consisted of recommendations. The Japanese Government did make further proposals early in February, but it was decided on February 14 that these did not constitute a satisfactory basis for conciliation. The draft Report was then approved by the Committee of Nineteen.

The Report declared that sovereignty over Manchuria belonged to China. The recommendations included the evacuation of Japanese troops and the establishment of an autonomous regime in Manchuria, and negotiations between the parties to carry out the recommendations. Some aspects of the Chinese practice of boycott were condemned, and it was laid down, in a form of words suggested by Sir John Simon, that Members of the League

'would continue not to recognise' the existing regime in Manchuria. In the meantime, the Japanese delegation had been informed orally that conciliation could not be pursued unless the impending attack on Jehol were abandoned. The Report was adopted by the Assembly on February 24 by forty-two votes to one, Siam abstaining and Japan alone voting against. Mr. Eden represented the British Government at Geneva during these discussions.

Chapter III deals mainly with the climax of the Jehol crisis and the immediate aftermath of the Assembly's decision of February 24. Jehol, a province to the north-east of Peking beyond the Great Wall, constituted an essential flank of the buffer state of Manchukuo, being strategically valuable to the Japanese High Command for defence against the Soviet Union and for offensive operations against China. The British representatives at Tokyo and Peking appear to have been fairly confident throughout that the aim of the Japanese General Staff at this period was to round off its position in Manchuria rather than to embark on an invasion of northern China, although the spirited, if futile, Chinese reaction opened for a time the prospect of an escalating crisis. The Japanese operations had been planned for the early spring before the thaw, apparently without reference to their effect on the delicate state of the Japanese Government's negotiations at Geneva. The Japanese seizure of the walled city and railway station at Shanhaikuan on New Year's Day seemed in retrospect to be a planned opening move in the campaign (cf. documents Nos. 167 and 168). There were evident hopes among Japanese diplomatic representatives in China that the Jehol problem could be solved by some more or less peaceful bargain between the Governor, General T'ang Yu-lin, and the Manchukuoan Government, but the Chinese Government was prepared to make a fight of it, and large forces were thrown into the province to support T'ang Yu-lin's troops. However, resistance speedily collapsed when the Japanese army attacked, during the last week of February. Heavy fighting did take place, however, at Kupeik'ou on the frontier (cf. document No. 493).

Meanwhile, every aspect of British Far Eastern policy was being examined in London. Sir John Simon's views were set out in a cabinet memorandum of February 18 (document No. 342). Anticipating the Assembly's decision on the Report, he recommended that there should be no resort to economic or other sanctions under Article 16, but that the Cabinet should consider the case for discontinuing the supply of munitions of war to Japan. A limited arms embargo, applying to both Japan and China, was imposed by the British Government on February 27, 1933, pending the agreement to this course of other powers. This was not forthcoming; the decisive consideration was the fact that the United States Government in particular was unable to act without legislation. Sir John Simon telegraphed on March 12 that 'it is more difficult to get effective international agreement when the temptation of securing orders at our expense continues strong' (document No. 449). Mr. Baldwin announced the removal of the embargo on March 13. The decision of the Japanese Government to withdraw from the League of Nations was finally approved by the Privy Council of Japan

on March 27, with hardly any sign of regret in the Japanese press (document No. 465).

Chapter IV is concerned almost entirely with the dénouement of the Jehol crisis. The resignation of Marshal Chang Hsueh-liang on March 10 removed the danger, if it had ever existed, of a full-scale Japanese invasion of northern China and occupation of Peking. Sir Miles Lampson telegraphed on March 11 that the Japanese had wanted to get rid of the Marshal since 1931. There was much uncertainty about the situation for the next two months, owing to the difficulty of breaking off military contacts, but negotiations for an armistice were concluded at Tangku on May 31, 1933. By this agreement the Japanese troops were to be withdrawn to the Great Wall, Chinese troops were to stay behind a line to the south and west, and Chinese police were to be responsible for the area between these two lines. Sir Miles Lampson played a limited part in bringing the parties together, but he had been careful throughout to prevent the abuse of his role of middleman, as had happened, he believed, at Shanghai (document No. 571). Japan's announcement of withdrawal from the League and the state of uneasy military quiescence which followed the Tangku truce ended the acute phase of the crisis which had followed the Mukden episode in September 1931.

The dramatic events in Manchuria and Jehol and the state of Anglo-Japanese relations are the dominant themes of this volume, but the consequential adjustments in Anglo-Chinese relations must also be noted. The Manchurian disasters no doubt strengthened the long-standing Chinese unwillingness to accept British good offices in the Sino-Tibetan question, and the British Legation fell back on a policy in this question of 'wait and see', while pressing on the Chinese authorities the urgent need for a peaceful settlement (cf. document No. 2). Preoccupied with its quarrel with Japan, the Nanking Government was less exigent in its nationalistic demands on the foreign communities, although this did not lessen the pro-Japanese sympathies of some of the British residents in Shanghai. There was continued uneasiness in British circles, diplomatic and commercial, as to the prospects of the Customs Administration (document No. 84), the side effects on British business of the anti-Japanese boycott, and the fate of the extra-Settlement agreement at Shanghai (document No. 19). Nevertheless, Sir Miles Lampson was impressed on his return from leave in January 1933 by the demonstrations of friendship for Great Britain at 'all the ports from Canton to Shanghai', and he felt able to remark that he 'could not but contrast this state of affairs with the conditions prevailing in China at the end of 1926' (p. 587).

As in previous volumes, documents dealing with the discussions at Geneva have been limited as far as possible to hitherto unpublished material, which thus supplements the records published under the authority of the League of Nations. Sir Miles Lampson's long and interesting survey of events in China during the period of his term of office as British Minister at Peking from 1924 to 1933 is printed in an Appendix.

The conditions under which the Editors accepted the task of producing the

volumes of the Collection, i.e. access to all papers in the Foreign Office archives and freedom in the selection and arrangement of documents, continue to be fulfilled. The general editorial method is the same in this volume as in the three previous volumes in this Series dealing with Far Eastern affairs (Volumes VIII, IX, and X). I am most grateful to Miss M. E. Lambert for her help at various stages in the production of the volume, and to Miss I. Bains throughout. I have also to thank the Librarian and staff of the Foreign Office Library for co-operation when desired.

August 1968

W. N. MEDLICOTT

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LIST OF ABBREVIATIONS

<i>B.F.S.P.</i>	<i>British and Foreign State Papers</i> (London).
Cmd.	Command Paper (London).
<i>F.R.U.S.</i>	<i>Papers relating to the Foreign Relations of the United States</i> (Washington).
<i>H.C. Deb.</i> 5 s.	<i>Parliamentary Debates (Hansard), Official Report, 5th Series,</i> House of Commons (London).
<i>H.L. Deb.</i> 5 s.	<i>Parliamentary Debates (Hansard), Official Report, 5th Series,</i> House of Lords (London).
<i>L/N.O.J.</i>	<i>League of Nations Official Journal</i> (Geneva).
<i>L/N.O.J., S.S.</i>	<i>League of Nations Official Journal, Special Supplement</i> (Geneva).
Lytton Report	<i>League of Nations: Appeal by the Chinese Government: Report of the Commission of Enquiry</i> (Official No. C. 663. M. 320. 1932. VII).
MacMurray	<i>Treaties and Agreements with and concerning China, 1894-1919,</i> edited by John V. A. MacMurray, 2 vols. (New York, 1921).

CHAPTER SUMMARIES

CHAPTER I

Far Eastern Affairs following the publication of the Lytton Report October 13–December 28, 1932

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
	1932		
1 To SIR F. LINDLEY Tokyo Tel. No. 135	Oct. 13	Refers to increasing danger to British subjects in Manchuria from bandits and instructs on representations to make to Japanese Govt.	1
2 MR. INGRAM Nanking Tel. No. 366 Tour	Oct. 13	Comments on Chinese Govt.'s rejection of H.M.G.'s good offices in Sino-Tibetan question (see No. 12 below): outlines steps he proposes to take.	1
3 SIR F. LINDLEY Tokyo No. 548	Oct. 13	Reports Mr. Matsuoka's appointment as a Japanese representative at forthcoming League of Nations Assembly meeting and press reports of his expected attitude.	2
4 SIR F. LINDLEY Tokyo No. 550	Oct. 13	Enlarges on telegraphic reports (see Vol. X, Nos. 726 and 736) on Japanese press reactions to Lytton Report and gives his own impressions of internal situation and probable course of Japanese policy: reports conversation with Count Makino on Oct. 13.	3
5 MR. HOLMAN Peking No. 1320	Oct. 13	Transmits copy of circular to consuls, No. 67 of Oct. 13, respecting diplomatic support to be given to British companies in China.	8
6 MR. INGRAM Nanking Tel. No. 373 Tour	Oct. 14	Has drawn M.F.A.'s attention to Dalai Lama's complaint about non-recognition by Chinese Govt. of Tibetan Govt.'s representatives to Tibet-Mongolian Bureau in Nanking, and has informed him of H.M.G.'s attitude.	10
7 MR. BRISTOW Newchwang Tel. No. 28	Oct. 15	Reports attempts being made to secure release of Mrs. Pawley and Mr. Corkran, captured by bandits on Sept. 7 (see Vol. X, No. 673) on basis of payment of ransom.	10
8 SIR F. LINDLEY Tokyo No. 555	Oct. 15	Summarizes unsettled conditions in Manchuria, as reported by Military Attaché after recent visit.	11
9 MR. INGRAM Nanking No. 149 T.S.	Oct. 15	Transmits fuller account of his interview with Dr. Lo Wen-kan on Oct. 13 (see No. 6).	11

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
10 SIR M. LAMPSON Glasgow	Oct. 15	Letter to Sir J. Pratt giving his views on Lytton Report and lack of progress towards solution of Manchurian question.	13
11 SIR F. LINDLEY Tokyo Tel. No. 378	Oct. 19	Reports Soviet Ambassador's statement of his Govt.'s readiness to recognize Manchukuo subject to frontier definition.	14
12 MR. INGRAM Nanking Tel. No. 364 Tour	Oct. 19	Inform of Chinese Govt.'s rejection, on Oct. 11, of H.M.G.'s good offices in Sino-Tibetan question (cf. Vol. X, No. 744).	14
13 MR. SCOTT Foreign Office	Oct. 20	Memo. on renewal of boycott against Japanese goods at Shanghai: tension between Chinese and Japanese but few incidents (cf. Vol. X, Nos. 667-8).	15
14 MR. INGRAM Shanghai Tel. No. 381 Tour	Oct. 21	Inform of intention to ascertain from M.F.A. how far Chinese Govt. is able and willing to enforce cessation of hostilities on Tibetan frontier.	16
15 MR. INGRAM Nanking Tel. No. 388 Tour	Oct. 24	Reports on internal affairs: Mr. Wang Ching-wei's departure for Europe: Mr. T. V. Soong to act as chairman of Executive Yuan: situation in Peking, Canton, Shantung and Szechuan provinces.	16
16 MR. INGRAM Nanking Tel. No. 389 Tour	Oct. 24	Reports gist of Mr. Wang Ching-wei's speech on departure (see No. 15) concerning need to accept Lytton Report and rely on League of Nations: summarizes other official views on the Report.	17
17 SIR E. DRUMMOND Berlin	Oct. 24	Letter to Sir J. Simon suggesting two possible lines of action by the League on the Lytton Report and Manchurian problem, and asking for comments.	18
18 SIR E. OVEY Moscow No. 604	Oct. 25	Summarizes (1) Soviet Govt.'s policy in present Far Eastern crisis, (2) Karl Radek's 'rather mischievous analysis of the situation' in <i>Izvestiya</i> of Oct. 13, (3) newspaper comments on Soviet policy by emigré Social Democrats in Berlin.	22
19 MR. HOLMAN Peking No. 1369	Oct. 25	Transmits copy of (1) Sir J. Brennan's despatch No. 359 of Oct. 5 to Mr. Ingram giving an account of further developments (cf. Vol. X, No. 707) in Japanese attitude towards proposed extra-Settlement areas agreement, (2) Mr. Ingram's despatch No. 29 T.S. of Oct. 13 to Sir J. Brennan approving latter's action and informing of H.M.G.'s attitude towards suggested declaration by Powers having defence forces in Shanghai.	24
20 MR. INGRAM Nanking Tel. No. 394 Tour	Oct. 26	Has been informed by M.F.A. that Mr. Wang Ching-wei's speech (cf. No. 16) represents official Govt. policy: transmits translation of important part of speech.	30

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
21	MR. INGRAM Nanking Tel. No. 392 Tour	Oct. 26	Reports conversation with M.F.A., who gave assurances on ending of Sino-Tibetan hostilities and negotiation of satisfactory frontier settlement without H.M.G.'s assistance: comments on M.F.A.'s attitude and suggests diplomatic pressure be used to ensure implementation of assurances.	30
22	SIR J. PRATT Foreign Office	Oct. 26	Outlines policy to be followed in discussing Lytton Report with Mr. Norman Davis: stresses need to co-ordinate action with other members of League of Nations Council: suggests Mr. Davis be told in confidence of line H.M.G. think desirable for League to follow: summarizes H.M.G.'s views.	32
23	Meeting between SIR J. SIMON, MR. N. DAVIS and LORD LYTTON London	Oct. 26	Record of conversation on possible courses of action following publication of Lytton Report.	33
24	SIR F. LINDLEY Tokyo No. 569	Oct. 27	Refers to No. 3: reports Mr. Matsuoka's departure for Geneva on Oct. 21 and summarizes his alleged instructions: Japanese Govt.'s observations on Lytton Report expected to be ready on Oct. 28.	37
25	MR. ORDE Foreign Office	Oct. 27	Letter to Sir E. Drummond enquiring (1) when the Japanese observations on Lytton Report expected in Geneva, (2) the procedure to be followed by the Council in regard to the Report.	38
26	SIR E. DRUMMOND Geneva	Oct. 27	Letter to Mr. Cadogan referring to No. 17 and requesting that enclosed views of Mr. Walters on need for a strong Central Govt. in China be brought to attention of Sir J. Simon.	39
27	SIR F. LINDLEY Tokyo Tel. No. 384	Oct. 28	Has been informed by Vice-M.F.A. (Mr. Arita) of conversation in London on Oct. 18 between Mr. N. Davis and Japanese Ambassador (Mr. Matsudaira) on possible result of League action on Lytton Report: Mr. Arita has stated that League censure would force Japan to leave the League.	40
28	MR. WALTERS Geneva	Oct. 29	Letter to Mr. Orde in reply to No. 25.	40
29	MR. INGRAM Peking Tel. No. 806	Oct. 31	Summarizes position with regard to presentation of claims arising from loss or damage as result of recent Sino-Japanese dispute: requests instructions on individual cases.	42
30	MR. INGRAM Peking No. 1349	Oct. 31	Comments on (1) unresponsive attitude of Chinese press to Lytton Report, (2) cautious statements by responsible leaders of present administration, (3) condemnation of Report by opposition leaders, the S.W. Political Council and other organizations.	42

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
31	TO SIR F. LINDLEY Tokyo No. 684	Nov. 1	Informs of Sir J. Simon's conversation with Mr. Matsudaira relating to H.M.G.'s agreement to suspend judgment until Japanese observations on Lytton Report received, probably about Nov. 18: Mr. Matsudaira has conveyed to Lord Lytton Japanese Govt.'s appreciation of his efforts.	45
32	SIR E. DRUMMOND Geneva	Nov. 2	Letter to Sir J. Simon enclosing suggested programme for action resulting from Lytton Report: attitude of Mr. N. Davis.	45
33	MR. INGRAM Peking Tel. No. 814	Nov. 3	Reports his conversation with Panchan Lama on Nov. 2 and handing to him of English translation and Chinese summary of letter from Dalai Lama: Panchan Lama expressed gratitude and friendship towards H.M.G.	47
34	MR. CADOGAN Geneva	Nov. 3	Letter to Mr. Orde relating to Sir E. Drummond's suggestions on procedure on Lytton Report (cf. No. 32).	48
35	MR. INGRAM Peking Tel. No. 819	Nov. 4	Reports further on local conditions in Shanghai (cf. Vol. X, No. 641): boycott situation unchanged.	48
36	SIR V. WELLESLEY Foreign Office	Nov. 7	Record of conversation with French Ambassador relating to Sir E. Drummond's proposals in No. 32.	49
37	SIR E. DRUMMOND London	Nov. 7	Final revise of his suggested programme for future action in Far East resulting from the Lytton Report.	49
38	SIR E. OVEY Moscow No. 633	Nov. 8	Reports visit to Moscow on the way to Geneva of Mr. Matsuoka and other members of Japanese delegation to Special Assembly of League of Nations.	50
39	SIR E. DRUMMOND London	Nov. 8	Letter to Sir R. Vansittart asking whether it would be possible for H.M.G. to supply, for U.S. representative in Geneva, summary of their information as to reaction of Japanese and Chinese Govts. and press to the Lytton Report: explains reason for request.	51
40	TO MR. INGRAM Peking Tel. No. 273	Nov. 9	Refers to No. 29 and instructs on action to take in cases therein listed.	52
41	SIR F. LINDLEY Tokyo No. 598	Nov. 9	Refers to instructions to apply to Japanese Govt. for <i>ex gratia</i> payment for relatives of two British seamen killed at Shanghai last February: submits reasons against taking this action and hopes instructions may be withdrawn.	52
42	MR. INGRAM Peking No. 1458	Nov. 9	Transmits copy of report by China Printing and Finishing Co. on effect of anti-Japanese boycott on Company's business: reports representations he has made to Chinese Ministry of Foreign Affairs and latter's renewed request to local authorities to afford protection to Company's goods.	53

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
43 MR. INGRAM Peking Tel. No. 835	Nov. 11	Reports on position relating to claims presented to Fengtien Province Outstanding Commercial Debts Adjustment Committee since Feb. 1932.	56
44 SIR F. LINDLEY Tokyo	Nov. 11	Letter to Sir V. Wellesley explaining further his objections to carrying out instructions referred to in No. 41.	57
45 MR. INGRAM Peking Tel. No. 841	Nov. 12	Comments on Chinese Govt.'s proposed issue of loan of £2½ million secured on two-thirds of total British Boxer indemnity instalments for 1937-46 for completion of Canton-Hankow railway: seeks instructions on reply to be given to request of Hongkong and Shanghai Bank at Shanghai for H.M.G.'s views.	58
46 TO SIR E. DRUMMOND Geneva	Nov. 16	Letter from Sir R. Vansittart enclosing summary of H.M.G.'s information on Chinese and Japanese reactions to the Lytton Report, as requested in No. 39.	59
47 MR. INGRAM Peking Tel. No. 856	Nov. 17	Message for Sir V. Wellesley summarizing reasons for requesting appointment of a British Air Attaché in China.	60
48 SIR C. ADDIS London	Nov. 17	Letter to Sir V. Wellesley concerning the opening of negotiations by Manchurian Govt. with a Loan Syndicate in Japan for a loan of 30 million yen: criticizes Japanese contention that contemplated loan does not come within scope of Consortium Agreement of 1920.	61
49 U.K. DELEGATE Geneva No. 327	Nov. 18	Transmits Sir J. Simon's record of conversation with Mr. Matsuoka regarding Lytton Report and course of action which could lead to Japan leaving the League: records Mr. Matsuoka's expression of his Govt.'s appreciation of Sir M. Lampson's and Sir J. Simon's attitude towards Far Eastern affairs.	64
50 SIR F. LINDLEY Tokyo No. 610	Nov. 18	Transmits note by Commercial Counselor on present state of anti-Japanese boycott in Far East.	66
51 MR. PATTESON Geneva Tel. No. 405 L.N.	Nov. 19	Telegraphs extracts from No. 49 owing to expected delay in arrival of that despatch and need to consider Sir M. Lampson's movements.	67
52 MR. HOLMAN Peking Tel. No. 858	Nov. 19	Repeats Harbin telegram No. 116 of Nov. 17 to Peking reporting alleged pressure from Changchun on Chinese students and others to sign document setting forth advantages of new regime and condemning findings of Lytton Commission.	68
53 SIR J. SIMON Geneva	Nov. 19	Memo. on Lytton Report and course of action which may be taken by League of Nations: discusses, in particular, (1) attitude of Japan and her alleged intention	68

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		to leave League in certain circumstances, (2) question of non-recognition of State of Manchukuo <i>in perpetuo</i> , (3) proposed conference to consider future of Manchuria: suggests policy H.M.G. should follow.	
54 To MR. PATTESON Geneva Tel. No. 564	Nov. 20	Message for Sir J. Simon concerning possible visit of Sir M. Lampson to Geneva (cf. Nos. 49 and 51): Sir M. Lampson's reasons for strongly deprecating the suggestion.	72
55 MR. PATTESON Geneva Tel. No. 407 L.N.	Nov. 22	Mr. Cadogan reports that statements by the Japanese and Chinese representatives were made in the League Council on Nov. 21.	73
56 MR. PATTESON Geneva Tel. No. 409 L.N.	Nov. 23	Refers to No. 54: Sir M. Lampson not to be asked to go to Geneva at present but might be needed later.	73
57 SIR F. LINDLEY Tokyo Tel. No. 395	Nov. 23	Has been informed of General Staff's anxiety about safety of 200 Japanese prisoners of insurgent General Su Ping-wen in Manchuli and Hailar and request for H.M.G.'s assistance: suggests possible action.	73
58 To MR. PATTESON Geneva Tel. No. 569	Nov. 23	Informs Sir J. Simon of steps being taken to keep Australian and New Zealand representatives in London acquainted with his attitude on the Lytton Report.	74
59 MR. HOLMAN Peking Tel. Nos. 868 and 869	Nov. 23	Reports on present position relating to payment by foreign firms of Chinese Business Tax: asks for instructions as matter has come to a head in Hankow.	75
60 To MR. INGRAM Nanking Tel. No. 92 Tour	Nov. 24	Refers to No. 57: indicates serious results likely to follow massacre of Japanese prisoners: instructs to speak seriously to Chinese authorities on the subject.	76
61 MR. PATTESON Geneva Tel. No. 421 L.N.	Nov. 24	Mr. Cadogan's report on Council's proceedings on Nov. 24.	77
62 SIR F. LINDLEY Tokyo No. 626	Nov. 24	Transmits Commercial Counsellor's memo. on present state of Japanese budget for 1933-4.	77
63 MR. CLUTTERBUCK Dominions Office	Nov. 24	Letter to Mr. Orde enclosing copy of <i>aide-memoire</i> on Manchuria handed to Australian and N. Zealand representatives that morning (cf. No. 58).	80
64 SIR F. LINDLEY Tokyo	Nov. 24	Letter to Sir V. Wellesley giving his views on possible Japanese action at Geneva during discussion of Lytton Report: comments on continued ill-feeling between Japanese and Americans.	81
65 MR. INGRAM Nanking Tel. No. 400 Tour	Nov. 25	Reports Dr. Soong's statements at meeting called by him and M.F.A. and attended by British, U.S., French, Italian, and	83

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		German colleagues: Dr. Soong (1) denied reports of direct negotiations between China and Japan, (2) said that China was agreeable to question being dealt with by Committee of Nineteen, (3) warned of consequences of failure to find solution.	
66 MR. CLUTTERBUCK Dominions Office	Nov. 25	Letter to Mr. Orde referring to No. 63 and enclosing copy of minute of interview on Nov. 24 when <i>aide-memoire</i> was handed to Australian and N. Zealand representatives.	84
67 SIR F. LINDLEY Tokyo No. 631	Nov. 25	Comments on attitude of Japanese press to proceedings at Geneva: considers Japanese Govt. will not renounce its policy towards Manchuria even if its retention involves leaving League.	85
68 SIR F. LINDLEY Tokyo Tel. No. 399	Nov. 26	Warns against exaggerating Japanese economic difficulties: industrial and trade boom now being enjoyed.	86
69 To MR. HOLMAN Peking Tel. No. 292	Nov. 26	Instructions not to press Panchan Lama for immediate reply to Dalai Lama's letter (cf. No. 33).	87
70 SIR F. LINDLEY Tokyo Tel. No. 400	Nov. 28	Has been informed by U.S. Ambassador of (1) conversations at Geneva between Mr. Matsuoka and Mr. N. Davis, (2) his views, which agree entirely with those of Sir F. Lindley.	87
71 MR. HOLMAN Peking Tel. No. 877	Nov. 28	Repeats Hankow telegram No. 47 of Nov. 25 to Peking recording decisions taken by British Chamber of Commerce at meeting on Nov. 24 to discuss Business Tax (cf. No. 59): prompt international action by Corps Diplomatique hoped for.	87
72 U.K. DELEGATE Geneva No. 335	Nov. 28	Transmits record of conversation on Nov. 18 between Sir E. Drummond and Mr. Matsuoka and Mr. Nagaoka relating to Japanese attitude towards Manchuria and probable procedure at Geneva.	88
73 To SIR C. ADDIS London	Nov. 28	Letter from Sir V. Wellesley in reply to No. 48: H.M.G. unable to admit that suggested loan does not come within Consortium Agreement, advises no participation in it.	92
74 To MR. CADOGAN Geneva	Nov. 28	Letter from Mr. Orde explaining why Mr. Matsuoka's statement to Sir J. Simon on Nov. 18 about Japan's leaving the League might be an exaggeration.	92
75 SIR J. PRATT Geneva	Nov. 28	Letter to Mr. Orde enclosing copy of brief prepared by him for Mr. Eden's use at League Council meeting on Nov. 28: discusses future procedure and limited prospects of agreement.	93
76 MR. INGRAM Nanking Tel. No. 404 Tour	Nov. 29	Refers to No. 60 and reports action taken, including despatch of letter to M.F.A. and conversation with Vice-M.F.A.	97

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
77	CONVERSATION BETWEEN NEW ZEALAND HIGH COMMISSIONER and SIR V. WELLESLEY London	Nov. 29	Discussion on present position of Sino-Japanese dispute: Sir T. Wilford's views on reasons for backing Japan: Sir V. Wellesley emphasizes dangers of hasty decision and explains Foreign Office point of view: N. Zealand Govt. to be informed of situation.	97
78	MR. ORDE Foreign Office	Nov. 29	Summary of position as regards procedure at Geneva with reference to submission of Lytton Report to the Special Assembly of the League of Nations for consideration.	101
79	TO MR. HOLMAN Peking Tel. No. 293	Nov. 30	Refers to Nos. 59 and 71: instructs on attitude to take in matter of Business Tax payments by British subjects.	101
80	FRENCH AMBASSADOR London	Nov. 30	Note referring to loan negotiations between Manchurian Govt. and a Japanese group (cf. No. 48) and enquiring as to H.M.G.'s attitude.	103
81	SIR F. LINDLEY Tokyo Tel. No. 402	Dec. 1	Informs of official notification of General Muto's appointment as Japanese Ambassador in Manchuria as from Dec. 1.	103
82	MR. PATTESON Geneva Tel. No. 427 L.N.	Dec. 1	Reports on meeting of Committee of Nineteen on Dec. 1 and decision to convene League Assembly for Dec. 6.	104
83	TO MR. INGRAM Nanking Tel. No. 95 Tour	Dec. 2	Informs of Army Council's desire to withdraw one or both battalions now in Shanghai at earliest possible opportunity: asks for observations.	104
84	MR. INGRAM Shanghai Tel. No. 411 Tour	Dec. 3	Explains attitude he has taken towards Sir F. Maze's suggested arrangement whereby he and Japanese Chief Secretary in Maritime Customs Administration would be on leave simultaneously: has emphasized need of doing nothing which could prejudice future Inspector Generalship of Customs as a British prerogative: suggests action in London.	105
85	SIR J. PRATT Geneva	Dec. 3	Memo. on the present position of the Sino-Japanese dispute and suggestions for main points to be made in forthcoming statement of policy to League Assembly.	106
86	MR. INGRAM Shanghai Tel. No. 412 Tour	Dec. 5	Refers to No. 41 and explains his objections to asking Chinese Govt. for an <i>ex gratia</i> payment: awaiting instructions before presenting Shanghai claims.	108
87	MR. INGRAM Shanghai Tel. No. 413 Tour	Dec. 5	Suggests reasons for under-current of nervousness in Shanghai as to future of Customs Administration, considers there is no cause for undue pessimism provided future is not compromised (cf. No. 84).	109
88	SIR J. PRATT Geneva	Dec. 5	Summarizes information obtained in course of conversation regarding attitude of smaller Powers towards procedure to	110

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		be followed in League Assembly on Sino-Japanese dispute, and of dissensions in Chinese and Japanese delegations.	
89 Mr. PRICE U.K. Delegation Geneva	Dec. 5	Letter to Mr. Clutterbuck enclosing note of his conversation with Mr. Cahan, Canadian representative at the Special Assembly, relating to Canada's attitude towards the Sino-Japanese dispute, and remarking on similarity of views on procedure of H.M.G. and Canadian Govt.	111
90 To Mr. INGRAM Nanking Tel. No. 99 Tour	Dec. 8	Refers to No. 86: informs question of compensation for sailors killed at Shanghai being reconsidered: instructs to present Shanghai claims.	112
91 Mr. PATTESON Geneva Tel. No. 439 L.N.	Dec. 8	Telegram from Sir J. Simon summarizing his conversations with Chinese and Japanese representatives to whom he explained H.M.G.'s policy of promoting atmosphere for conciliation while remaining loyal to the League and to Covenant.	113
92 Mr. PATTESON Geneva Tel. No. 441 L.N.	Dec. 9	Telegram from Sir J. Simon summarizing his conversation with Mr. N. Davis on Dec. 8 on H.M.G.'s attitude towards recognition of Manchukuo and U.S. Secretary of State's suggestion that declaration of non-recognition would be condition precedent to U.S. representation on Committee of Nineteen.	114
93 Sir F. LINDLEY Tokyo Tel. No. 410	Dec. 9	Summarizes public opinion as expressed in press: reference of dispute to Committee of Nineteen not favoured: attitude of minor Powers criticized.	114
94 Sir F. LINDLEY Tokyo Tel. No. 411	Dec. 9	Explains reason for not seeking official reaction to proceedings at Geneva: summarizes views on Japanese Govt.'s dislike of discussion of dispute by Committee of Nineteen and of suggested addition to that Committee of U.S. and Soviet representatives.	115
95 To Mr. INGRAM Nanking Tel. No. 100 Tour	Dec. 9	Refers to No. 84: agrees that arrangements suggested by Sir F. Maze would be dangerous: outlines suggestions made by Mr. Walsham, London Secretary of Chinese Maritime Customs.	115
96 Mr. PATTESON Geneva Tel. No. 444 L.N.	Dec. 9	Mr. Cadogan reports end of general discussion in Special Assembly of Sino-Japanese dispute and adoption on Dec. 9 of Resolution requesting Committee of Nineteen to study Lytton Report and draw up proposals for settlement of dispute.	116
97 Mr. INGRAM Nanking No. 163 T.S.	Dec. 9	Refers to No. 47: sets out reasons for his belief that appointment of an Air Attaché in China at present time is eminently desirable.	116

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
98	MR. PATTESON Geneva Tel. No. 39 to Tokyo	Dec. 10	Telegram from Sir J. Simon referring to Nos. 93 and 94 and describing conversation with Mr. Matsudaira concerning proposed addition of U.S. and Soviet representatives to Committee of Nineteen: instructs to use same arguments with M.F.A.: emphasizes need for conciliation to succeed.	119
99	MR. INGRAM Nanking Tel. No. 417 Tour	Dec. 10	Refers to No. 101: reports adverse reactions to Sir J. Simon's speech on Dec. 7: requests permission to inform M.F.A. of H.M.G.'s policy towards non-recognition of Manchukuo as in No. 92.	119
100	SIR F. LINDLEY Tokyo No. 663	Dec. 10	Refers to Nos. 67, 93, and 94: gives further details of press reaction to proceedings at Geneva and attitude he has taken in private conversations with Japanese friends and officials.	120
101	MR. INGRAM Nanking Tel. No. 416 Tour	Dec. 11	Reports interview with M.F.A., who expressed Govt.'s 'great disappointment' at tenor of Sir J. Simon's reported speech at Assembly on Dec. 7, its lack of condemnation of Japan and of moral sympathy for China: summarizes his reply.	121
102	MR. INGRAM Nanking Tel. No. 419 Tour	Dec. 11	Refers to No. 90: suggests wording for first paragraph of covering note to claims' submission: mentions three alternative approaches and requests instructions.	122
103	SIR J. SIMON Geneva	Dec. 11	Memo. on discussions on Manchurian question at Geneva since consideration of Lytton Report by League Council on Nov. 24, and on expected lines of procedure and recommendations by Committee of Nineteen.	123
104	SIR E. OVEY Moscow Tel. No. 236	Dec. 12	Informs of reported reasons for M. Litvinov's journey to Geneva.	125
105	TO MR. PATTESON Geneva Tel. No. 638	Dec. 12	Refers to Sir J. Simon's statement in his memo. (No. 103) that he had said on Dec. 7 that Japan had committed a breach of the Covenant, and asks whether this was intentional.	125
106	SIR F. LINDLEY Tokyo Tel. Unnumbered	Dec. 12	Has acted as instructed in No. 98: M.F.A. has expressed warm appreciation of Sir J. Simon's attitude at Geneva but his Govt. requires elucidation of two points relating to the proposed conciliation committee: no compromise possible on independence of Manchukuo.	126
107	MR. INGRAM Nanking Tel. No. 420 Tour	Dec. 12	Refers to No. 102 and transmits suggested wording of 2nd paragraph of covering note to claims' submission.	126
108	MR. INGRAM Nanking Tel. No. 421 Tour	Dec. 12	Reports M.F.A.'s reply to letter (cf. No. 76) relating to General Su's Japanese prisoners, who now appear to be safe.	127

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
109	MR. PATTESON Geneva Tel. No. 40 to Tokyo	Dec. 12	Sir J. Simon refers to Nos. 98 and 106: describes his comments to Mr. Matsuoka on suggested appointment of small conciliation committee and on news of proposed re-establishment of full diplomatic relations between China and Soviet Russia.	127
110	MR. PATTESON Geneva Tel. No. 447 L.N.	Dec. 13	Report on proceedings at meeting of Committee of Nineteen on Dec. 12 and appointment of drafting committee.	128
111	MR. PATTESON Geneva Tel. No. 452 L.N.	Dec. 13	Mr. Seymour replies to query in No. 105: quotes Sir J. Simon's actual words to Assembly and says that any House of Commons statement should keep strictly to this line; suggests amendment in No. 103.	129
112	TO MR. PATTESON Geneva Tel. No. 640	Dec. 13	Sir R. Vansittart enquires whether Sir J. Simon will deal directly with Nos. 99 and 101 and suggests possible reply to Mr. Ingram.	129
113	MR. INGRAM Nanking Tel. No. 125 Tour to Geneva	Dec. 13	Refers to No. 101: reports, for Sir J. Simon, his conversation with M.F.A. on H.M.G.'s attitude towards Manchuria: M.F.A.'s request for personal message from Secretary of State to help him deal with present grave criticisms of British attitude.	130
114	MR. INGRAM Nanking Tel. No. 422 Tour	Dec. 13	Reports wholly condemnatory press comments on Sir J. Simon's speech of Dec. 7: suggests reasons for this attitude.	130
115	SIR F. LINDLEY Tokyo Tel. No. 40 to Geneva	Dec. 13	Informs of press report of a 'threat' by him to M.F.A. if proposals in No. 98 not accepted: refers to No. 106: transmits Govt.'s interim reply declining to accept proposal for addition of U.S. and Soviet representatives on Committee of Nineteen: has shown M.F.A. a copy of No. 109.	131
116	SIR F. LINDLEY Tokyo Tel. Unnumbered to Geneva	Dec. 13	Refers to No. 115: has little doubt that M.F.A. would dislike inclusion of U.S. or Soviet representative on small committee mentioned in No. 109.	132
117	MR. PATTESON Geneva Tel. No. 17 to Nanking	Dec. 13	Message from Sir J. Simon referring to Nos. 101 and 113: approves Mr. Ingram's attitude: instructs on further points to make when discussing speech of Dec. 7 and H.M.G.'s policy.	132
118	TO MR. N. DAVIS Geneva	Dec. 13	Letter from Sir J. Simon explaining references he made to China in speech of Dec. 7 and quoting certain passages: discusses future procedure and question of recognition of Manchuria in light of declaration in League Resolution of Mar. 11.	133
119	TO SIR F. LINDLEY Tokyo	Dec. 13	Letter from Sir V. Wellesley referring to Nos. 41, 44, and 86: Admiralty informed that F.O. is not prepared to press for compensation for relatives of the two seamen killed at Shanghai.	136

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
120	MR. A. L. SCOTT Foreign Office	Dec. 13	Memo. concerning Chinese loans.	137
121	MR. PATTESON Geneva Tel. No. 12 to Washington	Dec. 14	Message from Sir J. Simon referring to Mr. Stimson's reported disappointment with British attitude as expressed in his speech of Dec. 7: explains wording used and draws attention to need to seek settlement by conciliation before pronouncing judgment.	139
122	MR. PATTESON Geneva Tel. No. 19 to Nanking	Dec. 14	Agrees to action suggested in No. 99.	140
123	MR. INGRAM Nanking Tel. No. 427 Tour	Dec. 14	Reports information received from M.F.A. regarding resumption of diplomatic relations with Soviet Russia and hope of non-aggression pact.	140
124	U.K. DELEGATE Geneva No. 376 L.N.	Dec. 14	Transmits (1) letter of Dec. 10 from Dr. Yen to Sir J. Simon repeating telegram from various public bodies in Shanghai expressing astonishment at Sir J. Simon's speech on Dec. 7, (2) letter of Dec. 14 from Sir J. Simon to Dr. Yen in reply.	141
125	MR. N. DAVIS Paris	Dec. 14	Letter to Sir J. Simon in reply to No. 118: discusses questions related to non-recognition of Manchuria and need for specific declaration.	142
126	MR. PATTESON Geneva Tel. No. 461 L.N.	Dec. 16	Mr. Cadogan's report on proceedings of Committee of Nineteen on Dec. 15: draft statement of reasons and draft resolution were adopted and agreement was reached on future procedure.	143
127	MR. PATTESON Geneva Tel. No. 462 L.N.	Dec. 16	Texts of two draft resolutions adopted by Committee of Nineteen on Dec. 15 (cf. No. 126).	144
128	MR. PATTESON Geneva Tel. No. 463 L.N.	Dec. 16	Text of statement of reasons adopted on Dec. 15 (cf. No. 126).	145
129	TO SIR F. LINDLEY Tokyo Tel. No. 156	Dec. 16	Records the receipt from Mr. Matsudaira on Dec. 14 of Japanese Govt.'s statement on their opposition to U.S. and Soviet representation on conciliation committee (cf. No. 115) and arguments used thereon with Japanese Ambassador: discusses origin of press report mentioned in No. 115.	147
130	MR. INGRAM Nanking Tel. No. 429 Tour	Dec. 16	Describes action taken on receipt of No. 117 and M.F.A.'s intention to try to remove misconceptions as to H.M.G.'s attitude.	147
131	MR. PATTESON Geneva Tel. No. 464 L.N.	Dec. 17	Mr. Cadogan's report of his conversation on Dec. 16 with Mr. Sato, who explained why he thought Japanese Govt. would be unable to accept texts in Nos. 127 and 128: transmits alternative Japanese drafts.	148

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
132	MR. PATTESON Geneva Tel. No. 465 L.N.	Dec. 17	Mr. Cadogan reports on proceedings in Drafting Committee on Dec. 16: decision taken to offer an alternative draft of last paragraph in No. 128 to Japanese in return for their reasonable attitude towards their other amendments (cf. No. 131).	150
133	MR. PATTESON Geneva Tel. No. 466 L.N.	Dec. 17	Text of alternative draft of last paragraph of statement of reasons referred to in No. 132.	151
134	TO MR. INGRAM Nanking Tel. No. 109 Tour	Dec. 17	Refers to Nos. 102 and 107: instructs on wording of covering note to Chinese Govt.	151
135	MR. HOLMAN Peking Tel. No. 903	Dec. 17	Repeats Shanghai telegram No. 270 of Dec. 13 to Peking reporting opposition of British Residents' Association to proposed withdrawal of British troops (cf. No. 83) and their alternative suggestion.	152
136	MR. PATTESON Geneva Tel. No. 467 L.N.	Dec. 18	Reports meeting of Drafting Committee on Dec. 17: further consideration of Chinese and Japanese objections.	152
137	SIR F. LINDLEY Tokyo Tel. No. 417	Dec. 18	Refers to his suggestion in No. 138 below: asks permission to discuss it with colleagues.	153
138	SIR F. LINDLEY Tokyo Tel. No. 416	Dec. 18	Refers to Nos. 126-8: considers wisest course would be for League to pass resolution approving first eight chapters of Lytton Report and recommending direct China-Japan negotiations for a settlement.	153
139	MR. INGRAM Nanking Tel. No. 127 Tour to Geneva	Dec. 18	Reports gist of resolution submitted to Kuomintang Central Executive Committee relating to futility of China's dependence on League, Western Powers and U.S. and suggesting ways in which China could rely on her own efforts and resources against Japanese aggression.	154
140	MR. INGRAM Nanking Tel. No. 129 Tour to Geneva	Dec. 18	Reports conversation with M.F.A. on inappropriateness of wide publicity given to resolution in No. 139, on rumours of change in China's foreign policy and retirement from League, and M.F.A.'s lack of confidence in success of conciliation in Manchurian question.	154
141	MR. INGRAM Nanking Tel. No. 130 Tour to Geneva	Dec. 18	Refers to No. 140: informs of his attempts to induce more reasonable and less despondent attitude among the Chinese.	156
142	MR. PATTESON Geneva Tel. No. 469 L.N.	Dec. 19	Mr. Cadogan reports conversation with Mr. Matsudaira on Dec. 18: comments on Japanese Govt.'s alternative drafts of resolution and statement of reasons which are practically identical with those transmitted in No. 131: outlines future procedure: summarizes main difficulties from Japanese side and suggests possible action at Tokyo and Peking.	156

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
143 MR. PATTESON Geneva Tel. No. 471 L.N.	Dec. 19	Drafting Committee has reached agreement on statement relating to settlement of Sino-Japanese dispute by conciliation (cf. No. 148 below), to be submitted to Committee of Nineteen on Dec. 20: decision has been taken to begin work on draft report required under Art. 15, para. 4, of Covenant if conciliation fails.	158
144 To MR. INGRAM Peking No. 1016	Dec. 19	Explains general principles to be followed by H.M. consular officers in Manchuria to ensure conformity with situation arising from H.M.G.'s non-recognition of Manchukuo Govt.	159
145 U.K. DELEGATE Geneva No. 385 L.N.	Dec. 19	Transmits Sir J. Pratt's record of his conversation with Mr. Matsudaira on Dec. 17 relating to (1) inclusion in draft resolution of invitation to Soviet Russia in spite of Japanese Govt.'s attitude, (2) size of proposed conciliation committee, (3) character of China-Japan negotiations.	160
146 MR. INGRAM Nanking Tel. No. 436 Tour	Dec. 20	Refers to No. 114: M.F.A. has informed him of statement (cf. No. 147) to be published throughout China.	162
147 MR. INGRAM Nanking Tel. No. 437 Tour	Dec. 20	Gist of press statement (cf. No. 146) relating to H.M.G.'s denial of reported pro-Japanese bias of Sir J. Simon's speech on Dec. 7 and explanation of its true object.	162
148 MR. PATTESON Geneva Tel. No. 472 L.N.	Dec. 20	Refers to No. 143: transmits text of draft statement.	162
149 To SIR F. LINDLEY Tokyo Tel. No. 164	Dec. 21	Refers to Nos. 137 and 138: explains objections to suggested procedure and instructs not to consult his colleagues.	163
150 MR. PATTESON Geneva Tel. No. 475 L.N.	Dec. 22	Sir J. Pratt reports interview on Dec. 20 between Sir E. Drummond and Mr. Matsuka who referred to new instructions from Tokyo and rejection of any compromise in attitude towards bases of conciliation (cf. No. 132): negotiations will nominally continue until Jan. 16.	164
151 SIR F. LINDLEY Tokyo No. 676	Dec. 22	Gives detailed chronological report on action taken to induce Japanese Govt. to adopt a moderate attitude at Geneva.	164
152 MR. CLARK KERR Stockholm No. 457	Dec. 22	Reports widespread support for Swedish representative's speech at League Assembly on Dec. 6: describes Swedish attitude of disapproval of Japanese action in Manchuria and disappointment at failure of League of Nations to adopt a stronger attitude: summarizes press articles.	168
153 To MR. INGRAM Peking Tel. No. 310	Dec. 23	Refers to No. 45: gives guidance on attitude to take if proposal for loan is reverted to by Chinese Govt.	169

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
154 MR. INGRAM Peking Tel. No. 389 to Tokyo	Dec. 23	Refers to No. 134: suggests Shanghai claims be presented on Jan. 10 before next meeting of League.	170
155 SIR J. PRATT Foreign Office	Dec. 23	Memo. on the breakdown of attempts at conciliation in the Sino-Japanese dispute, and on policy to be adopted by H.M.G.: suggests warning Japanese Govt. of situation which could lead to public condemnation of her actions.	170
156 MR. SNOW London	Dec. 23	Memo on Japanese case in regard to Manchuria.	176
157 TO MR. INGRAM Peking Tel. No. 314	Dec. 24	Instructs to ask Chinese Govt. whether steps have been taken to secure settlement of Sino-Tibetan frontier problems (cf. No. 21) and if not why not.	179
158 SIR F. LINDLEY Tokyo Tel. No. 421	Dec. 26	Informs of wording to be used in note to Japanese Govt. when presenting claims on Jan. 10 (cf. No. 154), unless instructed to the contrary.	180
159 SIR F. LINDLEY Tokyo Tel. No. 423	Dec. 26	States that Resolution in No. 139 has led to press campaign against China: military authorities deny any immediate intention to advance into Jehol.	180
160 MR. INGRAM Peking Tel. No. 928	Dec. 28	Asks for instructions as to whether or not H.M. Consul-General at Mukden should go to Changchun and have direct dealings with Fengtien Claims Committee (cf. No. 43) if desired by firms' representative.	181
161 MR. INGRAM Peking No. 1711	Dec. 28	Submits detailed report on reaction in China to discussions at Geneva on Sino-Japanese dispute, and steps taken in connexion therewith, from Nov. 19 onwards.	181

CHAPTER II

Discussion preceding acceptance by the Special Assembly of the League of Nations, on February 24, 1933, of the Report of the Committee of Nineteen on the Manchurian question: threat of Sino-Japanese clash in Jehol Province

December 29, 1932–February 25, 1933

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
162 SIR F. LINDLEY Tokyo Tel. No. 425	Dec. 29	Refers to No. 159: reports rumours of threatened military activity in Jehol area, attributed to Kuomintang resolution reported in No. 139.	188
163 MR. INGRAM Peking Tel. No. 931	Dec. 29	Military Attaché's reports of Chinese military movements in Jehol area: comments on their significance in light of resolution reported in No. 139: local Japanese and Soviet authorities do not consider situation dangerous.	189

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		1933		
164	MR. INGRAM Peking Tel. No. 3	Jan. 2	Informs of proposal to deal verbally with matter in No. 157 when he joins Sir M. Lampson at Nanking later in the month.	189
165	TO SIR F. LINDLEY Tokyo Tel. No. 1	Jan. 2	Expresses H.M.G.'s disappointment at Japanese Govt.'s attitude towards draft resolution and commentary adopted by Committee of Nineteen (cf. No. 150) and their grave concern as to possible outcome at Geneva if attempts at conciliation result in deadlock.	190
166	TO MR. INGRAM Peking Tel. No. 2	Jan. 2	Refers to No. 160: advises against presence of H.M. consular officer at Changchun as that might be held to involve recognition of Manchurian Govt.: claimants' representative should be given all assistance possible.	190
167	MR. INGRAM Peking Tel. No. 7	Jan. 3	Reports conflicting Chinese and Japanese accounts of a clash at Shanhaikuan on Jan. 1: has sent Captain Stables to make enquiries locally and asked C.-in-C. if he can send ship to Chinwangtao to protect British interests.	191
168	MR. INGRAM Peking Tel. No. 8	Jan. 3	Reports occupation of Shanhaikuan city by Japanese, their pursuit of Chinese retreating to Chinwangtao, and Japanese warning to Marshal Chang Hsueh-liang of grave consequences of incident: comments on dangerous possibilities: two sloops have been instructed to proceed to Chinwangtao.	192
169	SIR F. LINDLEY Tokyo Tel. No. 3	Jan. 4	Reports conversation on necessity of localizing trouble at Shanhaikuan with M.F.A. who maintained that Japanese Govt. did not wish to be embroiled with Chinese and had given orders for incident to be localized but that Chinese provocation had to cease.	193
170	SIR F. LINDLEY Tokyo Tel. No. 2	Jan. 4	Has shown M.F.A. first two paragraphs of No. 165: reports ensuing conversation: suggests attempt be made to find formula which would not expressly run counter to Japanese basic principles of independence of Manchukuo and negotiations with China alone.	193
171	MR. INGRAM Peking Tel. No. 14	Jan. 5	Reports action he has taken to remind Japanese and Chinese Govts. and Marshal Chang Hsueh-liang of British interests at Chinwangtao and need to prevent any injury to British lives and property there.	194
172	MR. INGRAM Peking Tel. No. 15	Jan. 5	Transmits Military Attaché's appreciation of situation in Hsifengho-Luanhsien-Shanhaikuan triangle.	194
173	SIR J. PRATT Foreign Office	Jan. 5	Memo. on dangers of situation, both to the League itself and in the Far East, which may develop if conciliation fails and League Assembly proceeds to judgment under para. 4 of Art. 15 of Covenant.	195

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NO. AND NAME	DATE	MAIN SUBJECT	PAGE
174 SIR F. LINDLEY Tokyo No. 10	Jan. 5	Refers to No. 169 and Japanese attitude in N. China: transmits memo. by Military Attaché on strategical aspect of Japanese occupation of Shanhaikuan as step in military plan to cause withdrawal of Marshal Chang Hsueh-liang's troops from Jehol.	198
175 SIR F. LINDLEY Tokyo Tel. No. 8	Jan. 6	Reports conversation with Vice-M.F.A. on dangers of extension of fighting: officials of Japanese War Office, Admiralty, and Foreign Office all reported to be agreed that fighting must stop if possible.	200
176 MR. INGRAM Peking Tel. No. 18	Jan. 6	Repeats Shanghai telegram No. 1 of Jan. 4 to Peking referring to report that railway line between Shanhaikuan and Chinwangtao had been cut and forwarding request of British and Chinese Corporation for representations to be made on behalf of British bondholders to whom railway was mortgaged under Loan Agreement of 1898.	200
177 MR. INGRAM Peking Tel. No. 20	Jan. 6	Refers to No. 171: reports Marshal Chang Hsueh-liang's reply and comments on his difficult situation.	201
178 SIR V. WELLESLEY Foreign Office	Jan. 6	Record of conversation with Mr. Matsudaira on (1) Shanhaikuan incident, (2) Japanese attitude towards draft resolution and statement of reasons adopted by Committee of Nineteen. <i>Annex.</i> Memo. left by Mr. Matsudaira containing observations on amendments proposed by Japanese delegation.	201 203
179 SIR R. GRAHAM Rome No. 9	Jan. 6	Reports Signor Quaroni's views on situation in Far East, future role of League of Nations, and significance of Soviet activities in Far East.	204
180 MR. INGRAM Peking Tel. No. 26	Jan. 7	Informs of decision taken by diplomatic colleagues to suggest to their respective Govts. that mediation under international or League auspices should be offered to China and Japan to secure localization of Shanhaikuan affair.	206
181 MR. INGRAM Peking Tel. No. 27	Jan. 7	Repeats Admiral Sir H. Kelly's telegram to Commander Taylor of H.M.S. <i>Folkestone</i> containing message for Japanese and Chinese commanders in connexion with avoidance of danger to British lives and property in Chinwangtao area, and instructing him to offer his good offices if required.	207
182 MR. INGRAM Peking Tel. No. 22 to Admiral Sir H. Kelly	Jan. 7	Refers to last part of No. 181: comments on dangers of Senior Naval Officer being involved in highly contentious political issues: draws attention to proposals for mediation in No. 180.	208

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
183	SIR F. LINDLEY Tokyo Tel. No. 11	Jan. 8	Gives own views on Shanhaikuan situation and need for removal of Chinese threat of attack before hostilities can cease.	209
184	MR. WIGRAM Paris	Jan. 8	Memo. relating to M. Cot's comments on articles in French press dealing with Manchurian question, and forecasting demand of French delegation at Geneva for action against Japan under para. 4 of Art. 15 of the Covenant.	209
185	SIR F. LINDLEY Tokyo Tel. No. 13	Jan. 9	Explains why he considers offer of mediation (cf. No. 180) would not be useful at present time.	210
186	MR. INGRAM Peking Tel. No. 32	Jan. 9	Repeats Nanking telegram No. 2 to Peking referring to No. 171 and reporting M.F.A.'s attitude towards danger to British lives and property at Chinwangtao.	210
187	SIR V. WELLESLEY Foreign Office	Jan. 9	Reports his conversation with French Ambassador on action to be taken in connexion with proposal to offer mediation to China and Japan (cf. No. 180): has agreed that H.M.G. would examine M. de Fleuriau's alternative suggestion based on commitments under Boxer Protocol of Sept. 7, 1901.	211
188	SIR J. PRATT Foreign Office	undated	Memo. on the position at Shanhaikuan in relation to the Protocol of 1901.	212
189	MR. INGRAM Peking No. 31	Jan. 9	Transmits copy of Chungking despatch No. 116 of Dec. 22, 1932, to Mr. Ingram relating to reported Tibet-Kokonor agreement and peace along entire Sino-Tibetan frontier.	214
190	MR. INGRAM Peking No. 32	Jan. 9	Transmits note of his conversation with Mr. Nakayama, Secretary in charge of Japanese Legation at Peking, on Jan. 5 (cf. No. 171), on (1) need to safeguard British lives and property in Shanhaikuan-Chinwangtao area and (2) Shanhaikuan situation generally.	215
191	SIR E. DRUMMOND Geneva	Jan. 9	Letter to Mr. Cadogan on proposed procedure at Geneva on Jan. 16. <i>Encl.</i> Record by Sir E. Drummond of an interview with Dr. Yen on Jan. 7 on Chinese Govt.'s attitude towards prospect of Sino-Japanese conciliation.	217 218
192	TO MR. INGRAM Peking Tel. No. 10	Jan. 10	Refers to No. 176: explains objections to proposed representations: describes action which should be taken.	219
193	TO MR. INGRAM Peking Tel. No. 11	Jan. 10	Refers to No. 180: explains why French, Italian, and U.S. representatives in London have been informed that H.M.G. do not favour immediate action on mediation in Shanhaikuan affair.	219

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194	SIR F. LINDLEY Tokyo Tel. No. 14	Jan. 10	Informs of conversation between officer of Japanese general staff and H.M. Military Attaché on possible steps to be taken to settle Shanhaikuan incident: suggests action that Mr. Ingram might be asked to take.	220
195	MR. INGRAM Peking Tel. No. 39	Jan. 10	Refers to No. 180: has been informed that U.S. Govt. regard conciliation moves as unlikely to succeed unless initiated by Japanese and Chinese: considers that otherwise onus of leadership should devolve upon Britain.	220
196	MR. INGRAM Peking Tel. No. 42	Jan. 10	Refers to No. 182: reports Marshal Chang Hsueh-liang's enquiry as to initiative reported to have been taken at Chinwangtao by British Senior Naval Officer and the Marshal's comments on effect of such negotiations on his position.	221
197	SIR F. LINDLEY Tokyo No. 22	Jan. 10	Refers to No. 158: encloses copy of Note of Jan. 10 sent to M.F.A. covering claims.	222
198	MR. INGRAM Peking Tel. No. 43	Jan. 11	Refers to Chinese Govt.'s memo. alleging that in attacking Shanhaikuan the Japanese were taking unlawful advantage of their rights under Boxer Protocol of 1901: informs of action he is taking.	223
199	MR. INGRAM Peking Tel. No. 12 to Hong Kong	Jan. 11	Message for Sir M. Lampson: informs of request from Kailan Mining Administration and British firms at Tientsin for troop protection in event of spread of Sino-Japanese military operations: outlines present position and suggests points for reply.	224
200	TO MR. INGRAM Peking No. 40	Jan. 11	Refers to resolution of British Chamber of Commerce, Harbin, on inadequacy of police protection: informs of H.M.G.'s representations to Japanese Govt. and indicates further action to be taken if needed.	225
201	MR. INGRAM Peking Tel. No. 48	Jan. 12	Refers to No. 194: considers any move by H.M.G. alone to be inadvisable: reports local rumours of secret understanding between Great Britain and Japan following action of Senior Naval Officer at Chinwangtao.	226
202	SIR J. PRATT Foreign Office	Jan. 12	Memo. on questions with which Committee of Nineteen will be faced at its meeting of Jan. 16, including demand for expulsion of Japan from the League.	227
203	MR. PATTESON Geneva Tel. No. 2	Jan. 14	Message for Sir J. Simon from Sir E. Drummond asking him to assure Japanese Ambassador of importance attached to U.S. and Soviet membership of proposed Conciliation Committee: explains reason for request.	228

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204	To SIR F. LINDLEY Tokyo Tel. No. 8	Jan. 14	Informs of his conversation with Japanese Ambassador on Jan. 13 relating to (1) membership of proposed Conciliation Committee, (2) Japanese request for direct China-Japan negotiations, (3) H.M.G.'s attitude should conciliation fail.	229
205	SIR M. LAMPSON Hong Kong Tel. No. 4 Tour	Jan. 14	Refers to No. 199: suggests involvement of British troops undesirable and that Consul-General at Tientsin should advise withdrawal of employees if necessary.	230
206	To U.S. AMBASSADOR London ,	Jan. 14	Letter from Sir J. Simon replying to message from Mr. Stimson and outlining H.M.G.'s proposed policy in the next stage of Manchurian situation and in Shanhaikuan and Jehol questions. <i>Annex.</i> Memo. on telephone conversation between U.S. Secretary of State and Mr. Atherton handed to Sir J. Simon on Jan. 13.	230 232
207	FRENCH AMBASSADOR London	Jan. 14	French Govt. has received Note from Chinese Govt. similar to that referred to in No. 198: enquires as to H.M.G.'s attitude towards (1) a protest against Japanese abuse of Protocol rights, (2) neutralization of diplomatic quarter at Peking (cf. Vol. X, Nos. 704 and 721).	234
208	LORD TYRRELL Paris Tel. No. 1 Saving to Geneva	Jan. 15	Message from Sir J. Simon for Sir E. Drummond in reply to No. 203: gives gist of what he said to Japanese Ambassador on Jan. 13 concerning inclusion of U.S. and Soviet representatives on Conciliation Committee.	235
209	SIR F. LINDLEY Tokyo Tel. No. 20	Jan. 16	Refers to No. 204: reports press bureau of Ministry of Foreign Affairs took attitude last week that League discussions should pass to para. 4 of Art. 15 of the Covenant.	235
210	MR. INGRAM Nanking Tel. No. 1	Jan. 16	Reports conversation with M.F.A. on (1) Chinese Govt.'s inability to treat Shanhaikuan as a local affair, (2) movement of Chinese troops to threatened area, (3) absence of any direct Sino-Japanese negotiations.	236
211	SIR F. LINDLEY Tokyo No. 32	Jan. 16	Reports action taken to inform Japanese Govt. of magnitude of British interests in N. China: discusses situation at Shanhaikuan and Jehol.	237
212	MR. PATTESON Geneva Tel. No. 1 L.N.	Jan. 17	Mr. Cadogan reports meeting of Committee of Nineteen on Jan. 16 and issue of a statement.	238
213	MR. HOLMAN Peking Tel. No. 20 to Sir M. Lampson	Jan. 17	U.S. Minister has informed colleagues of State Dept.'s attitude towards Chinese Govt.'s memo. (cf. No. 198) and reply given to Chinese Legation in Washington.	239

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214	MR. PATTESON Geneva Tel. No. 3 L.N.	Jan. 18	Message from Sir J. Simon for Sir R. Vansittart intimating that Japan is proposing Conciliation Committee consisting solely of League members: anticipates Chinese rejection of proposal: indicates probable League procedure and his own attitude towards adoption of Lytton Report.	239
215	MR. HOLMAN Peking Tel. No. 23 to Sir M. Lampson	Jan. 18	Reports interview between H.M. Military Attaché and French Military Attaché at Tokyo on Jan. 17 and their discussion of Japanese policy towards Jehol situation.	240
216	SIR M. LAMPSON Swatow Tel. Unnumbered to Nanking	Jan. 18	Refers to No. 222 below: instructs to inform M.F.A. of local discussions at Chinwangtao and on action to take in event of General Ho being disowned by Nanking Govt.	241
217	U.K. DELEGATE Geneva No. 2 L.N.	Jan. 18	Transmits Sir J. Simon's record of his conversation with M. Matsuoka on Jan. 17 relating to new Japanese formula for conciliation (cf. No. 214).	241
218	U.K. DELEGATE Geneva No. 3 L.N.	Jan. 18	Transmits Sir J. Simon's record of his conversation with Mr. Quo Tai-chi on Jan. 17 urging China's sympathetic consideration of new Japanese formula: Mr. Quo's speculations as to future development of Sino-Japanese conflict.	243
219	SIR R. LINDSAY Washington No. 97	Jan. 18	Informs of press reports of President-elect's support of present U.S. policy in Far East: transmits Governor Roosevelt's statement on Jan. 18 to journalists on this subject.	244
220	MR. PATTESON Geneva Tel. No. 5 L.N.	Jan. 19	Mr. Cadogan's report of proceedings at Committee of Nineteen's meeting on Jan. 18: Japanese counter-drafts of resolution and statement of reasons discussed: agreement to ask Japanese Govt. whether, if U.S. were not included in Conciliation Committee, they would withdraw their other amendments.	245
221	SIR F. LINDLEY Tokyo Tel. No. 24	Jan. 19	Has made representations, as instructed, against reported interference in Manchuria with British-American Tobacco Co.'s activities and hostility of banks towards British insurance companies.	246
222	MR. HOLMAN Peking Tel. No. 66	Jan. 19	Repeats Mr. Ingram's telegram No. 4 of Jan. 16 to Sir M. Lampson referring to No. 210 and M.F.A.'s evident ignorance of discussions proceeding at Chinwangtao: requests instructions on action to take.	247
223	U.K. DELEGATE Geneva No. 6 L.N.	Jan. 19	Transmits copy of Mr. Matsuoka's letter of Jan. 18 to Sir J. Simon describing effects of U.S. press reports and Governor Roosevelt's statement (cf. No. 219) in increasing anti-American feeling in Japan and opposition to U.S. participation in Conciliation Committee.	247

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224 MR. PATTESON Geneva Tel. No. 8 L.N.	Jan. 20	Mr. Eden's report of proceedings at Committee of Nineteen's meeting on Jan. 20: Japanese delegation's new proposals presented but not discussed: decision taken to wait 24 hours for Japanese Govt.'s answer (cf. No. 220): discussion on future procedure.	249
225 To SIR F. LINDLEY Tokyo No. 47	Jan. 20	Informs of conversation relating to Japanese intentions in Shanhaikuan area with Mr. Matsudaira, who expressed the view that incidents had merely local significance and did not betoken any Japanese designs inside the Great Wall.	249
226 U.K. DELEGATE Geneva No. 4 L.N.	Jan. 20	Transmits copy of Sir E. Drummond's record of his conversation with Mr. Matsuo on Jan. 18 during which Committee of Nineteen's attitude towards Japanese proposals was explained (cf. No. 220).	250
227 U.K. DELEGATE Geneva No. 7 L.N.	Jan. 20	Transmits copy of Mr. Eden's record of his conversation with Mr. Matsuo on Jan. 18: Mr. Eden's conclusion that Mr. Matsuo was chiefly engaged in playing for time.	251
228 MR. INGRAM Nanking Tel. No. 3	Jan. 21	Repeats Nanking telegram No. 6 to Sir M. Lampson reporting M.F.A.'s statement on Jan. 17 relating to possibility of China's withdrawal from League and strong Chinese press reaction to Reuter's reports on attitude of British conservative papers.	252
229 To SIR F. LINDLEY Tokyo Tel. No. 16	Jan. 21	Informs of his conversation with Japanese Ambassador on Jan. 20: had urged his Govt.'s acceptance of Committee of Nineteen's proposal (cf. No. 220).	253
230 SIR M. LAMPSON Amoy Tel. No. 9 Tour	Jan. 21	Refers to No. 228: comments on Reuter's reports of what some London papers say against any form of action under the Covenant.	254
231 MR. INGRAM Nanking Tel. No. 4	Jan. 21	Reports delivery to Panchan Lama of original of Dalai Lama's letter (cf. No. 33).	254
232 MR. INGRAM Nanking Tel. No. 8 to Sir M. Lampson	Jan. 21	Refers to No. 228: informs U.S. Consul-General was similarly told by M.F.A. on Jan. 18 of China's possible withdrawal from League.	254
233 MR. PATTESON Geneva Tel. No. 9 L.N.	Jan. 22	Mr. Eden's report of proceedings at Committee of Nineteen's meeting on Jan. 21: Japanese Govt.'s rejection of proposal of Jan. 18 (cf. No. 220) and approval of delegation's proposals (cf. No. 224): latter found unsatisfactory by Committee: future procedure under para. 4 of Art. 15 of Covenant agreed.	255
234 MR. INGRAM Nanking Tel. No. 10 to Sir M. Lampson	Jan. 22	Refers to No. 216: reports conversation with M.F.A. on question of local discussions at Chinwangtao and Dr. Lo Wenkan's hope that Senior Naval Officer would	255

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		be instructed to discontinue acting as channel of communication.	
235 U.K. DELEGATE Geneva No. 9 L.N.	Jan. 22	Transmits summary by Sir J. Pratt of proceedings of Committee of Nineteen, Jan. 16-21.	256
236 To SIR F. LINDLEY Tokyo Tel. No. 20	Jan. 23	Has informed French Ambassador of H.M.G.'s agreement to representations to Japanese Govt. by powers signatory of Boxer Protocol (cf. No. 207): instructions on action to take. <i>Note 4.</i> Sir J. Simon's reply to No. 207 (2): no action necessary at present.	260
237 MR. PATTESON Geneva Tel. Nos. 13 and 14 L.N.	Jan. 23	Mr. Eden's report of proceedings at Committee of Nineteen's meeting on Jan. 23: form of report to be prepared under para. 4 of Art. 15 of Covenant discussed: drafting Sub-Committee appointed.	261
238 MR. HOLMAN Peking Tel. No. 72	Jan. 24	Reports M.F.A.'s reply to representations made by Mr. Ingram, as instructed in No. 192, concerning danger to British interests in N. China.	262
239 ADM. SIR H. KELLY Tel. No. 1845/24 to Sir M. Lampson	Jan. 24	Refers to No. 234: recapitulates situation at Chinwangtao.	262
240 MR. INGRAM Nanking No. 7	Jan. 24	Transmits copy of Mr. Ingram's record of his conversation with M.F.A. on Jan. 22 relating to course of events at Geneva and Chinese delegation's instructions.	263
241 MR. INGRAM Nanking No. 9	Jan. 24	Transmits copy of Mr. Ingram's record of continuation of his conversation (cf. No. 240) when Anglo-Chinese relations were discussed.	264
242 MR. INGRAM Nanking No. 10	Jan. 24	Transmits copy of Mr. Ingram's record of continuation of his conversation (cf. Nos. 240-1) when Sino-Soviet relations were discussed.	266
243 SIR F. LINDLEY Tokyo Tel. No. 29	Jan. 25	Refers to No. 246 below: warns that Japanese attack on Jehol could result in dangerous crisis following a Chinese appeal to League under Art. 16.	267
244 MR. PATTESON Geneva Tel. No. 21 L.N.	Jan. 25	Mr. Eden's report of failure of Drafting Committee that morning to reach decision on procedure.	267
245 To SIR M. LAMPSON Shanghai Tel. No. 3 Tour	Jan. 25	Refers to No. 230: explains steps being taken in London to avoid press pronouncements on the Sino-Japanese dispute likely to be misunderstood in China.	267
246 MR. INGRAM Nanking Tel. No. 11	Jan. 25	Reports conversation with M.F.A. on Chinese Govt.'s attitude following apparent breakdown of procedure of conciliation.	268
247 U.K. DELEGATE Geneva No. 12 L.N.	Jan. 25	Transmits copy of Sir E. Drummond's record of his conversation with M. Hymans and Mr. Matsuoka on Jan. 20 on Com-	269

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		mittee of Nineteen's decisions (cf. No. 224) relating to Japanese proposals.	
248 U.K. DELEGATE Geneva No. 13 L.N.	Jan. 25	Transmits copy of Sir E. Drummond's record of his conversation with Dr. Yen on Jan. 20 on discussions in Committee of Nineteen.	270
249 U.K. DELEGATE Geneva No. 10 L.N.	Jan. 25	Transmits copy of Sir E. Drummond's record of his conversation on Jan. 21 with Mr. Matsuoka, who informed him of Japanese Govt.'s rejection of Committee's proposal in No. 220 and acceptance of delegation's proposals in No. 224 (cf. No. 233).	272
250 U.K. DELEGATE Geneva No. 14 L.N.	Jan. 25	Transmits copy of Sir E. Drummond's record of his conversation with Mr. Matsuoka on Jan. 21 on Committee of Nineteen's rejection of Japanese proposals (cf. No. 233).	273
251 U.K. DELEGATE Geneva No. 15 L.N.	Jan. 25	Transmits copy of Sir E. Drummond's record of his conversation with Dr. Yen on Jan 21 on breakdown of conciliation efforts.	275
252 To SIR F. LINDLEY Tokyo Tel. No. 1 from Geneva	Jan. 26	Sir J. Simon's account of his conversation with Mr. Matsuoka and Mr. Matsudaira on only way still open to Japanese Govt. to make final effort for conciliation.	276
253 To SIR M. LAMPSON Shanghai Tel. No. 4 Tour	Jan. 27	Refers to Nos. 199 and 205: instructs on actions to take to protect British interests in N. China.	276
254 SIR M. LAMPSON Shanghai Tel. No. 11 Tour	Jan. 27	Reports conversation with Japanese Minister concerning (1) his Govt.'s policy towards Jehol and Shanhaikuan incident, (2) General Chiang Kai-shek's position, (3) negotiations relating to Shanghai District Court.	277
255 MR. PATTESON Geneva No. 10 Saving L.N.	Jan. 27	Mr. Eden's report of Drafting Committee's agreement that there should be only one report consisting of four parts: drafts of first three parts examined.	278
256 MR. BOWKER Foreign Office	Jan. 27	Memo. on export of arms to China and Japan.	278
257 SIR F. LINDLEY Tokyo Tel. No. 31	Jan. 28	Reports his visit to M.F.A., on receipt of No. 252, and offer to help in reaching agreement.	279
258 SIR M. LAMPSON Shanghai Tel. No. 14 Tour	Jan. 28	Informs of his intention to discuss with Chinese Govt. question of railway loans in arrears: asks for instructions concerning special request from British and Chinese Corporation.	280
259 SIR R. LINDSAY Washington Tel. No. 63	Jan. 30	Has informed U.S. Govt. of H.M.G.'s attitude towards alleged Japanese abuse at Shanhaikuan of privileges under Boxer	281

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		Protocol (cf. No. 236): summarizes reasons for U.S. Govt. not favouring representations to Japanese Govt.	
260 U.K. DELEGATE Geneva No. 28 L.N.	Jan. 30	Transmits memo. by Sir J. Pratt on report taking shape in Drafting Committee under para. 4 of Art. 15 of Covenant.	281
261 MR. PATTESON Geneva Tel. No. 40 L.N.	Jan. 31	Transmits texts of conclusions Nos. 6 and 8 drafted on Jan. 31; see No. 264 below.	286
262 SIR F. LINDLEY Tokyo Tel. No. 33	Jan. 31	Reports conversation with Vice-M.F.A., who informed him of Japanese Govt.'s decision on their attitude towards suggested conciliation attempts and their future intentions.	286
263 To SIR M. LAMPSON Nanking Tel. No. 5 Tour	Jan. 31	Sends instructions requested in No. 258.	287
264 MR. PATTESON Geneva Tel. No. 39 L.N.	Feb. 1	Mr. Eden's report on proceedings in Drafting Committee on Jan. 31: discusses problems arising and requests instructions.	287
265 SIR M. LAMPSON Nanking Tel. No. 18 Tour	Feb. 1	Refers to Reuter's messages from Geneva featuring alleged British bias in favour of Japan, and to rumours of secret Anglo-Japanese agreement: indicates harmful effects politically and on trade prospects: submits H.M.G. should not figure too prominently in any attempt to deal leniently with proved Japanese contravention of League Covenant.	289
266 MR. PATTESON Geneva Tel. No. 42 L.N.	Feb. 1	Mr. Eden's report on proceedings in Drafting Committee on Feb. 1: procedural matters discussed.	290
267 To SIR F. LINDLEY Tokyo Tel. No. 30	Feb. 1	Refers to No. 243: restates H.M.G.'s intention to stand loyally by League without needless provocation to any member.	290
268 SIR F. LINDLEY Tokyo Tel. No. 34	Feb. 1	Transmits text of memo. handed to him by M.F.A. containing Japanese Govt.'s statement on extent of concessions they are prepared to make in way of conciliation in Sino-Japanese dispute.	291
269 SIR M. LAMPSON Nanking Tel. No. 20 Tour	Feb. 1	Reports M.F.A.'s personal hint that H.M.G. should avoid raising Tibetan question at this time.	292
270 MR. EDEN Geneva	Feb. 1	Letter to Sir J. Simon covering a memo. by Sir J. Pratt analysing the situation confronting H.M.G. at Geneva: Mr. Eden considers H.M.G. should take the lead, if necessary, in an unqualified declaration in favour of non-recognition of Manchukuo.	293
271 MR. EDEN Geneva	Feb. 2	Telephone message relating to steps taken in connexion with false information alleged to have been issued by Chinese press bureau (cf. No. 265): reasons for not carrying out instructions as received.	295

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272	MR. OSBORNE Washington Tel. No. 86	Feb. 2	Refers to U.S. Govt.'s rejection of suggested joint representation to Japan (cf. No. 259) and comments on presumed press leakage.	296
273	SIR M. LAMPSON Siakwan Tel. No. 24 Tour	Feb. 2	Reports increased anti-British campaign in Chinese press.	296
274	MR. PATTESON Geneva Tel. No. 49 L.N.	Feb. 2	Mr. Eden reports receipt from Mr. Matsuoaka of (1) gist of Japanese memo. in No. 268, (2) new proposals to Committee of Nineteen: considers these will not be acceptable as basis of conciliation.	297
275	TO SIR M. LAMPSON Peking No. 102	Feb. 2	Inform of conversation with Mr. Quo Tai-chi about stream of misleading news emanating from Geneva as to H.M.G.'s attitude and action in Sino-Japanese dispute and alleged personal involvement of the Chinese Minister in anti-British propaganda.	297
276	SIR M. LAMPSON Nanking Tel. No. 19 Tour	Feb. 3	Reports conversation with M.F.A. on Feb 1. relating to (1) Reuter reports (cf. No. 265) and anti-British reaction in China, (2) China's attitude towards the League, (3) impossibility at present of direct Sino-Japanese talks or of third party good offices.	298
277	SIR M. LAMPSON Nanking Tel. No. 22 Tour	Feb. 3	Reports anti-British propaganda in vernacular press and expression of hope that his return will remove misunderstandings and suspicions traceable to Sir J. Simon's speech at Geneva on Dec. 7, 1932.	299
278	SIR M. LAMPSON Nanking Tel. No. 30 Tour	Feb. 3	Has been informed by Japanese Consul of his Govt.'s aim to settle Jehol question diplomatically: no forceful action would be taken for a further month.	300
279	MR. PATTESON Geneva Tel. No. 54 L.N.	Feb. 3	Telegram from Mr. Eden referring to No. 261 and transmitting text of conclusion 6 in part 3 of draft report as circulated to the Committee of Nineteen.	300
280	TO SIR M. LAMPSON Nanking Tel. No. 8 Tour	Feb. 3	Refers to No. 265: informs of action by Reuters to correct false impression and deny fantastic rumours, and of conversation recorded in No. 275.	301
281	MR. HOLMAN Peking Tel. No. 82	Feb. 3	Reports increasingly tense situation at Chinwangtao.	301
282	TO SIR F. LINDLEY Tokyo No. 62	Feb. 3	Inform of conversation with Mr. Matsudaira, who enquired as to prospect of Japan's latest proposals being accepted (cf. No. 268): Sir J. Simon's reply.	301
283	TO SIR F. LINDLEY Tokyo Tel. No. 35	Feb. 4	Telegraphic report of conversation with Mr. Matsudaira recorded in No. 282.	302

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284 SIR M. LAMPSON Nanking Tel. No. 29 Tour	Feb. 4	Expresses thanks for opportune Reuter's messages (cf. No. 280): reports M.F.A.'s strong disapproval of present anti-British campaign and intention to stop it.	303
285 To MR. PATTESON Geneva Tel. No. 59 L.N.	Feb. 4	Message for Mr. Eden: refers to No. 264 and sends provisional conclusions on (1) attitude towards boycott, (2) breaches of the Covenant, (3) non-recognition of Manchukuo, (4) avoidance of isolated action.	303
286 MR. PATTESON Geneva Tel. No. 61 L.N.	Feb. 4	Mr. Eden's report of proceedings of Committee of Nineteen's meeting on Feb. 4: Japanese proposal that future government of Manchuria be left for discussion in Conciliation Committee rejected: Secretary-General to inform Japanese delegates of decision: discussion on part 4 of report begun.	304
287 SIR M. LAMPSON Nanking Tel. No. 32 Tour	Feb. 5	Reports on Japanese intentions towards Jehol, including Japanese Minister's advice against armed attack, and indications of Japanese readiness for mediation.	305
288 MR. PATTESON Geneva Tel. No. 64 L.N.	Feb. 5	Message from Mr. Eden repeating a French report that Japanese military intend to occupy Tientsin and Peking if they meet with resistance in Jehol in immediate future: asks for confirmation.	306
289 SIR M. LAMPSON Nanking Tel. No. 31 Tour	Feb. 5	Reports conversation on Feb. 4 with M.F.A., who had received Mr. Quo Tai-chi's account of the conversation recorded in No. 275: has emphasized need to prevent further misunderstandings.	306
290 SIR M. LAMPSON Nanking No. 11 T.S.	Feb. 5	Transmits copy of Sir M. Lampson's record of his interview with Dr. Lo Wen-kan on Feb. 3 relating to anti-British press campaign and M.F.A.'s intentions to stifle it (cf. No. 284).	306
291 SIR F. LINDLEY Tokyo Tel. No. 37	Feb. 6	Considers Japanese policy towards Tientsin and Peking to be unchanged except for increased reluctance to enter those areas (cf. No. 288).	307
292 SIR M. LAMPSON Nanking Tel. No. 34 Tour	Feb. 6	Reports receipt from representatives of Panchan Lama of a letter and packet for transmission to the Dalai Lama, and reported movements and intentions of Dalai Lama: requests instructions on representatives' request concerning free entry into India and transit to Tibet of boxes of presents for Panchan Lama.	308
293 SIR M. LAMPSON Nanking Tel. No. 35 Tour	Feb. 6	Describes China's mood of desperation at proceedings at Geneva: refers to M.F.A.'s 'almost hysterical' letter of Feb. 6 relating to alleged insistence by British member of Drafting Committee on condemnation	308

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		of boycott 'in all cases': emphasizes deplorable and world-wide effects of H.M.G. seeming to condone injustice and shield Japan.	
294 To MR. PATTESON Geneva Tel. No. 64 L.N.	Feb. 6	Sir J. Simon's message for Mr. Eden, after consultation with Prime Minister on Feb. 5, on general line to follow at Geneva on question of non-recognition of Manchukuo (cf. No. 285).	309
295 MR. PATTESON Geneva Tel. No. 68 L.N.	Feb. 6	Mr. Eden's report of proceedings at Committee of Nineteen's meeting on Feb. 6: Drafting Committee to begin drafting of recommendations.	310
296 SIR M. LAMPSON Nanking Tel. No. 39 Tour	Feb. 6	Reports he has not resumed discussions with M.F.A. on Sino-Tibetan question: considers Chinese Govt. will never agree to British mediation: outlines attitude he has maintained, and suggests future policy.	312
297 U.K. DELEGATE Geneva No. 36 L.N.	Feb. 6	Transmits copy of Sir E. Drummond's record of his conversation with Mr. Matsuo on Feb. 4 informing him of Committee of Nineteen's rejection of Japanese proposal relating to future government of Manchuria (cf. No. 286).	313
298 U.K. DELEGATE Geneva No. 37 L.N.	Feb. 6	Transmits copy of Sir E. Drummond's record of his conversation on Feb. 4 with Mr. Sugimura on certain new proposals by Japanese delegation amending texts of Resolutions and Statement of Reasons.	315
299 To SIR M. LAMPSON Nanking Tel. No. 12 Tour	Feb. 7	Refers to No. 289: hopes for no further misunderstandings due to inaccurate press reports.	317
300 MR. PATTESON Geneva Tel. No. 73 L.N.	Feb. 7	Mr. Eden reports revised Japanese proposals, based on those in No. 298: considers they mark considerable advance in Japanese Govt.'s attitude.	317
301 SIR M. LAMPSON Nanking Tel. No. 38 Tour	Feb. 7	Refers to No. 287: reports on Chinese and Japanese attitudes towards question of Jehol.	318
302 MR. CACCIA Peking Tel. No. 87	Feb. 7	Has no information to confirm report in No. 288: French and H.M. Military Attachés agree that as far as known no immediate developments are expected in Jehol: refers to Nos. 287 and 291.	318
303 To SIR F. LINDLEY Tokyo No. 70	Feb. 7	Despatch from Sir J. Simon enclosing copy of Japanese Govt.'s reply to query as to whether they intended to occupy Chinese territory south of Great Wall (cf. No. 225).	319
304 JAPANESE AMBASSADOR London	Feb. 7	Letter to Sir J. Simon explaining origin of Japanese press report on results of meeting at Geneva on Jan. 26 recorded in No. 252, and emphasizing precautions taken by Japanese delegation to prevent leakage of confidential matter.	319

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305	MR. PATTESON Geneva Tel. No. 74 L.N.	Feb. 8	Message from Mr. Eden referring to No. 300: change in Japanese Govt.'s attitude is attributed to influence of Imperial family and entourage.	321
306	MR. PATTESON Geneva Tel. No. 75 L.N.	Feb. 8	Mr. Eden enquires whether Italian Govt. can be told that closer and more active collaboration of their representative at Geneva would be welcomed in discussions on Far East situation and on disarmament.	321
307	To SIR M. LAMPSON Peking Tel. No. 56	Feb. 8	Refers to No. 293: hopes that information on H.M.G.'s policy in Nos. 285 and 294 can be used as calming influence: explains attitude towards boycotts.	322
308	MR. PATTESON Geneva Tel. No. 76 L.N.	Feb. 8	Message from Mr. Eden referring to No. 295 and commenting on proceedings at Geneva: suggests these considerations may assist Sir M. Lampson to meet criticisms.	322
309	MR. PATTESON Geneva Tels. Nos. 77 and 78 L.N.	Feb. 8	Mr. Eden's report of proceedings at Drafting Committee's meeting of Feb. 8: part 4 of report discussed: urges immediate and unqualified acceptance of paragraph dealing with question of non-recognition (cf. No. 310 below).	323
310	MR. PATTESON Geneva Tel. No. 79 L.N.	Feb. 8	Transmits text of paragraph referred to in No. 309.	324
311	MR. PATTESON Geneva Tel. No. 19 Saving L.N.	Feb. 8	Mr. Eden reports his conversation with Mr. Wellington Koo on proceedings in Committee of Nineteen and erroneous impressions conveyed to Chinese Govt. on H.M.G.'s policy.	325
312	SIR F. LINDLEY Tokyo Tel. No. 38	Feb. 9	Informs of Netherland Minister's anxiety caused by increased Japanese munition manufactures and of his warning to his Govt. of effect of imposition of sanctions.	326
313	MR. PATTESON Geneva Tel. No. 81 L.N.	Feb. 9	Mr. Eden's report of proceedings at Committee of Nineteen's meeting on Feb. 9: new Japanese proposals discussed: Secretary-General to obtain further clarification from Japanese delegation and assurance of abandonment of attack on Jehol.	326
314	MR. PATTESON Geneva Tel. No. 82 L.N.	Feb. 9	Mr. Eden's report of meeting of Drafting Committee on Feb. 9: procedure for carrying out recommendations discussed.	327
315	SIR M. LAMPSON Peking Tel. No. 93	Feb. 10	Refers to Nos. 307 and 308: considers erroneous impression of an anti-Chinese bias at Geneva has been dissipated.	328
316	SIR M. LAMPSON Peking Tel. No. 97	Feb. 10	Refers to No. 205: H.M. Consul-General, Tientsin, has been authorized to act as suggested.	328
317	SIR F. LINDLEY Tokyo Tel. No. 40	Feb. 11	Refers to No. 313: reports general opinion that Japan will not give way as regards recognition of Manchuria: press appears unaware of statement regarding Jehol.	329

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
318	To MR. PATTESON Geneva Tel. No. 81 L.N.	Feb. 11	Message for Mr. Eden referring to No. 311 and expressing desirability of keeping in close contact with Chinese delegates.	329
319	MR. PATTESON Geneva Tel. No. 88 L.N.	Feb. 11	Mr. Eden reports on proceedings at Drafting Committee's meeting on Feb. 11: drafting of report completed: slight amendment made to text in No. 310: informs of procedure agreed.	329
320	MR. PATTESON Geneva Tel. No. 21 Saving L.N.	Feb. 11	Mr. Eden's report of his conversation with Mr. Sato, who feared Japanese Govt.'s reply to Secretary-General's letter (cf. No. 313) would be unfavourable.	330
321	To MR. PATTESON Geneva Tel. No. 82 L.N.	Feb. 12	Message for Mr. Eden referring to No. 319 and accepting amended formula: expresses complete confidence in his handling of non-recognition problem, but reminds him that H.M.G.'s further attitude on Manchuria cannot be handed over for all time to League control.	331
322	MR. PATTESON Geneva Tel. No. 91 L.N.	Feb. 13	Mr. Eden's report of Committee of Nineteen's meeting on Feb. 13 and consideration of first three parts of report.	331
323	MR. PATTESON Geneva Tel. No. 92 L.N.	Feb. 13	Message from Mr. Eden referring to No. 321, commenting on revised wording of formula in light of warning given, and expressing intention to accept text as it stands.	331
324	SIR M. LAMPSON Peking Tel. No. 104	Feb. 13	Reports arrival of Minister of Finance with avowed object of giving moral and financial help to Marshal Chang Hsueh-liang: comments on Jehol situation.	332
325	SIR F. LINDLEY Tokyo Tel. No. 41	Feb. 14	Reports statement of General Staff officer to H.M. Military Attaché on likelihood of Japanese attack on Jehol before much longer owing to Chinese troop concentrations.	332
326	To SIR F. LINDLEY Tokyo	Feb. 14	Letter from Sir V. Wellesley (1) suggesting reasons for Japan's activity in importing war material, (2) asking for comments on view that Japanese Manchurian policy is due to necessity she feels of anticipating war against Soviet Russia.	333
327	MR. PATTESON Geneva Tel. No. 96 L.N.	Feb. 15	Mr. Eden's report of proceedings at Committee of Nineteen's meeting on Feb. 14: Japanese proposals of Feb. 8 rejected as basis for conciliation: draft report approved: recommendations in part 4 summarized and future procedure outlined.	333
328	MR. PATTESON Geneva Tel. No. 97 L.N.	Feb. 15	Message from Mr. Eden referring to No. 327 and requesting authority to accept immediately invitation to serve on Negotiations Committee being formed in connexion with the carrying out of recommendations.	334

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
329	SIR M. LAMPSON Peking Tel. No. 109	Feb. 15	Reports rumours of impending activity in Jehol and attitude he has taken.	335
330	MR. PATTESON Geneva Tel. No. 98 L.N.	Feb. 15	Mr. Eden's suggestions on steps which might be taken to secure U.S. co-operation in further stages of Manchurian dispute.	335
331	To MR. PATTESON Geneva Tel. No. 87 L.N.	Feb. 15	Message for Mr. Eden referring to Nos. 327-8: authorizes him to express readiness to nominate a representative of the United Kingdom to Negotiations Committee and to explain to Secretary-General the legal position relating to representation of certain Dominions and India as signatories of Nine-Power Treaty.	336
332	To SIR M. LAMPSON Peking No. 132	Feb. 15	Instructions to bring to notice of Vice-M.F.A. of Manchurian Govt. the losses incurred by British interests in Manchuria during Sino-Japanese dispute: explains reasons for this action.	336
333	SIR F. LINDLEY Tokyo Tel. Nos. 42 and 43	Feb. 16	Refers to No. 317: comments on Japanese reactions to proposals for withdrawal from League and on position of military party.	338
334	SIR M. LAMPSON Peking Tel. No. 111	Feb. 16	Reports conversation on Feb. 15 with Mr. T. V. Soong, who expressed satisfaction with events at Geneva and emphasized China's determination to resist in Jehol: French Govt. has refused his request for loan.	338
335	To MR. OSBORNE Washington Tel. No. 92	Feb. 16	Refers to No. 327: instructions to express hope of U.S. Govt.'s continued co-operation with League and early approval of draft report.	339
336	MR. PATTESON Geneva Tel. No. 102 L.N.	Feb. 16	Telephone message from Sir J. Pratt to Mr. Orde relating to membership of Negotiations Committee (cf. No. 331): suggests Dominion Govts. be informed of position.	339
337	SIR F. LINDLEY Tokyo Tel. No. 44	Feb. 17	Refers to No. 333: informs of reported attitude of General Staff and Gen. Muto to Japan's position, and Vice-M.F.A.'s attitude towards attack on Jehol.	341
338	MR. OSBORNE Washington Tel. No. 126	Feb. 17	Informs of interview with U.S. Under-Secretary of State, in accordance with instructions in No. 335, and U.S. Govt.'s attitude.	341
339	SIR M. LAMPSON Peking Tel. No. 118	Feb. 17	Reports alleged Japanese plans for drive on Jehol any time after Feb. 21.	342
340	To JAPANESE AMBASSADOR London	Feb. 17	Letter from Sir J. Simon acknowledging No. 304 and accepting assurance that Japanese delegation has no responsibility for misleading reports.	342

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341	MR. OSBORNE Washington Tel. No. 129	Feb. 18	Refers to No. 338: reports interview with Mr. Stimson, who explained U.S. Govt.'s objections to expressing approval of draft report before its adoption by League Assembly, but affirmed his belief that incoming administration would continue policy of co-operation with League.	343
342	FOREIGN OFFICE	Feb. 18	Memo. on H.M.G.'s policy at Geneva following the League's failure to establish agreed basis for conciliation between China and Japan.	343
343	TO MR. PATTESON Geneva Tel. No. 93 L.N.	Feb. 20	Message for Mr. Eden: Dominion High Commissioners informed as suggested in No. 336: authorization given to accept invitation to represent H.M.G. in the United Kingdom on Negotiations Committee.	347
344	SIR M. LAMPSON Peking Tel. No. 123	Feb. 20	Reports Mr. Soong's and Marshal Chang Hsueh-liang's confidence in preparations to resist Japanese attack in Jehol, their attitude towards safeguarding British interests at Chinwangtao, and possible infringement of Boxer Protocol provisions.	348
345	SIR F. LINDLEY Tokyo Tel. No. 46	Feb. 20	Indicates probable Japanese military moves in Jehol area.	348
346	SIR F. LINDLEY Tokyo Tel. No. 47	Feb. 20	Informs of despatch of instructions to Japanese delegates at Geneva and their probable content.	349
347	U.K. DELEGATE Geneva No. 59 L.N.	Feb. 20	Transmits copy of Brigadier Temperley's record of his conversations at Geneva on Feb. 17-18 with General Tatekawa on Japanese Govt.'s refusal to accept League's conciliation proposals, and on Japan's anticipated invasion of Jehol.	349
348	SIR F. LINDLEY Tokyo Tel. No. 48	Feb. 21	Reports unanimous press support for Japan's resignation from League if resolution is passed.	350
349	TO FRENCH AMBASSADOR London	Feb. 21	Note from Sir J. Simon referring to No. 236 and informing of H.M.G.'s intention not to make suggested representations to Japanese Govt. owing to lack of unanimity for such action among Powers signatory of Boxer Protocol.	351
350	TO SIR J. PRATT Geneva	Feb. 21	Letter from Mr. Orde (1) enclosing letter of Feb. 7 from Mr. W. W. Astor to Sir J. Simon setting out arguments for constituting Consular Committees in Mukden and Harbin to keep League informed of developments there, (2) summarizing views of Foreign Office, (3) requesting observations of U.K. delegation.	351
351	SIR F. LINDLEY Tokyo No. 112	Feb. 21	Describes attitude he has taken on Jehol problem, strategic and financial interests of the province to Japan, effect on Japanese policy of possible U.S. recognition of	354

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		Soviet Govt. and of events at Geneva resulting in conviction of League's hostility to Japan.	
352 MR. PATTESON Geneva Tel. No. 115 L.N.	Feb. 22	Mr. Eden's report of meeting of Assembly on Feb. 21, and of subsequent Committee of Nineteen's meeting: invitations to be sent to Dominions to nominate delegates on Negotiations Committee, but only Canada expected to accept.	358
353 MR. PATTESON Geneva Tel. No. 116 L.N.	Feb. 22	Mr. Eden's summary of divergent views as to whether or not the Special Assembly should remain in session after adoption of report.	359
354 SIR F. LINDLEY Tokyo Tel. No. 49	Feb. 22	Refers to No. 346: has been informed by Vice-M.F.A. of instructions to Japanese delegates to vote against the resolution and leave Geneva if it were adopted unaltered, also of subsequent action which would be taken in Japan.	359
355 SIR F. LINDLEY Tokyo Tel. No. 50	Feb. 22	Refers to No. 345: considers Japanese military advance into N. China not an impossibility in spite of Vice-M.F.A.'s statements.	360
356 U.K. DELEGATE Geneva No. 64 L.N.	Feb. 22	Encloses, and comments on, 'Observations of the Japanese Delegation on the draft Report submitted to the Assembly by the Committee of Nineteen.'	360
357 SIR M. LAMPSON Peking No. 221	Feb. 22	Transmits copies of (1) letter of Feb. 6 to H.M. Consul-General, Shanghai, from China Printing and Finishing Co. Ltd. requesting official action be taken to ensure removal of embargo on their goods in Province of Hunan, (2) Sir M. Lampson's despatch No. 51 of Feb. 22 to Sir J. Brennan enclosing copy of memo. sent to Chinese Ministry of Foreign Affairs.	361
358 MR. PATTESON Geneva Tel. No. 119 L.N.	Feb. 23	Mr. Eden's review of legal and practical aspects of question of embargo on arms to Japan: suggests attitude he might take when question raised in Assembly.	362
359 SIR F. LINDLEY Tokyo Tel. No. 54	Feb. 23	Refers to No. 353: gives reasons for considering that League should withdraw from Sino-Japanese dispute.	363
360 To H.M. REPRESENTATIVES Paris Tel. No. 49 Saving Washington Tel. No. 98 Rome Tel. No. 40 Prague Tel. No. 3 Stockholm Tel. No. 6 Brussels Tel. No. 8	Feb. 23	Informs of (1) H.M.G.'s view regarding control of supply of arms to Far East by international agreement and instructs to ascertain attitude of Govt. to which accredited, (2) H.M.G.'s opposition to imposition of sanctions.	364

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361	SIR M. LAMPSON Peking Tel. No. 81 to Admiral Sir H. Kelly	Feb. 23	Discusses future of British Naval Mission to China: favours continuance of training of Chinese naval officers in Great Britain.	365
362	JAPANESE EMBASSY London	Feb. 23	Memo. on Jehol left with Sir V. Wellesley by Japanese Chargé d'Affaires on Feb. 23: historical outline since 1921 and present position.	365
363	MR. PATTESON Geneva Tel. No. 122 L.N.	Feb. 24	Mr. Eden's report on decisions taken by Committee of Nineteen, at its meeting on Feb. 23, relating to procedure to be followed at Assembly meeting on Feb. 24.	367
364	MR. PATTESON Geneva Tel. No. 123 L.N.	Feb. 24	Mr. Eden refers to No. 363 and reports decisions in favour of continuance of special session of Assembly and appointment of an advisory committee: membership and duties of new committee.	367
365	MR. PATTESON Geneva Tel. No. 127 L.N.	Feb. 24	Mr. Eden's report on proceedings of Special Assembly on Feb. 24: adoption of report by 42 votes to 1, Japan voting against and Siam abstaining.	368
366	LORD TYRRELL Paris Tel. No. 7	Feb. 24	Refers to No. 360: explains delay in reply.	368
367	SIR R. LINDSAY Washington Tel. No. 135	Feb. 24	Refers to No. 360: reports conversation with Secretary of State, who explained U.S. Govt.'s inability to control export of arms, discussed significance of League's decision of Feb. 24 (cf. No. 365), and disadvantage of taking further practical measures for the present.	369
368	SIR M. LAMPSON Peking Tel. No. 142	Feb. 24	Repeats Nanking telegram No. 71 of Feb. 23 to Peking reporting information received from Japanese Consul relating to Japanese intention not to advance within the Great Wall unless compelled to do so by Chinese action.	370
369	MR. BLAND Brussels Tel. No. 1	Feb. 24	Refers to No. 360: reports views of Secretary-General of Ministry of Foreign Affairs: suggests M.F.A. be consulted direct at Geneva.	371
370	MR. PATTESON Geneva Tel. No. 131 L.N.	Feb. 24	Mr. Eden's report of proceedings at meeting of Special Assembly in afternoon of Feb. 24: resolution adopted constituting Advisory Committee referred to in No. 364.	371
371	SIR F. LINDLEY Tokyo No. 122	Feb. 24	Refers to his earlier review of position in Far East (see Vol. X, No. 639) and to Nos. 138, 149, and 151: criticizes League's handling of Sino-Japanese dispute: warns of grave danger to British Empire of drifting into open antagonism with Japan over Manchuria.	372

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372	To MR. PATTESON Geneva Tel. No. 133 L.N.	Feb. 25	Sir J. Simon refers to No. 353: discusses alternatives: instructs Mr. Eden to adapt himself to the generally accepted view.	374
373	MR. PATTESON Geneva Tel. No. 133 L.N.	Feb. 25	Mr. Eden reports on (1) meeting on Feb. 25 of Advisory Committee (cf. No. 370), U.S. and Soviet Russia to be invited to participate in its work, (2) his suggestion to members of Committee individually that Sub-Committee be set up to consider export of arms to Far East.	374
374	SIR J. PRATT Geneva	Feb. 25	Memo. on proceedings at Geneva respecting the Sino-Japanese dispute from Jan. 21 to Feb. 25, 1933.	375

CHAPTER III

Sino-Japanese hostilities in Jehol Province: proposed arms embargo: Japan's decision to withdraw from the League of Nations February 26–March 31, 1933

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
375	MR. PATTESON Geneva Tel. No. 139 L.N.	Feb. 26	Message from Mr. Eden concerning Mr. Matsuoka's proposal to go to London immediately and his hope of seeing Sir J. Simon.	379
376	MR. PATTESON Geneva Tel. No. 138 L.N.	Feb. 26	Mr. Eden reports his conversation with Netherland M.F.A., who said his Govt. would be willing to join in restrictions on exports to the Far East of arms and war material other than oil.	379
377	SIR M. LAMPSON Peking Tel. No. 146	Feb. 26	Sends text of Rengo News Agency report on H.M.G.'s attitude towards Japanese action in Jehol: urges immediate permission to deny report.	380
378	SIR M. LAMPSON Peking Tel. No. 145	Feb. 26	Repeats Mukden telegram No. 19 of Feb. 25 to Peking transmitting information on Jehol operations given to foreign Consuls by Kwantung army headquarters.	380
379	SIR M. LAMPSON Peking Tel. No. 144	Feb. 26	Repeats Nanking telegram No. 72 of Feb. 24 to Peking giving gist of Chinese Govt.'s note to Japanese Govt. concerning their defence of Jehol Province.	381
380	To SIR M. LAMPSON Peking Tel. No. 92	Feb. 26	Refers to No. 377: instructs formally and authoritatively to deny unfounded press report.	382
381	MR. PATTESON Geneva Tel. No. 143 L.N.	Feb. 27	Mr. Eden reports conversation with Mr. Matsudaira on question of Rengo report (cf. Nos. 377 and 380).	382
382	MR. CLARK KERR Stockholm Tel. No. 9	Feb. 27	Refers to No. 360: reports attitude of Swedish Govt. towards restriction of arms export to Far East and denying of foreign loans to Japan.	383

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383	SIR M. LAMPSON Peking No. 244	Feb. 27	Transmits copy of (1) letter of Feb. 22 from Dr. Lo Wen-kan to Sir M. Lampson relating to a Reuter report from London quoting press articles on the Sino-Japanese dispute and the League, (2) Sir M. Lampson's reply of Feb. 25.	383
384	MR. PATTESON Geneva Tel. No. 148 L.N.	Feb. 28	Mr. Eden's report of Mr. Matsudaira's enquiry about proposed arms embargo and warning of danger of differentiation against Japan.	385
385	TO SIR R. LINDSAY Washington Tel. No. 101	Feb. 28	Instructions to inform U.S. Govt. of H.M.G.'s decision not to pursue proposed policy of representations to Japanese Govt. concerning alleged abuse of rights under Boxer Protocol (cf. Nos. 272 and 349).	386
386	TO SIR F. LINDLEY Tokyo Tel. No. 67 TO SIR M. LAMPSON Peking Tel. No. 94	Feb. 28	Enquires whether there are any indications as to likelihood or not of a Japanese blockade of China in event of state of war being declared between the two countries.	386
387	TO MR. PATTESON Geneva Tel. No. 136 L.N.	Feb. 28	Informs Mr. Eden of H.M.G.'s decision that as from Feb. 27 no licences would be issued for export of arms and ammunition to China or Japan pending international consultation and subject to existing contracts: instructs on line to take if pressed for further information as to H.M.G.'s attitude.	386
388	SIR M. LAMPSON Peking Tel. No. 157	Feb. 28	Chinese reported to be satisfied with military preparations in Jehol, but to regard application of arms embargo to China as illogical after League resolution.	387
389	MR. GURNEY Prague Tel. No. 1	Feb. 28	Refers to No. 360: reports attitude of Czechoslovak Govt. and their request for further information.	388
390	TO SIR M. LAMPSON Peking Tel. No. 98	Feb. 28	Refers to No. 387: quotes extracts from Sir J. Simon's speech in House of Commons on Feb. 27 on situation in Far East which might be useful in answering charges that statement was unfairly critical of China.	388
391	SIR R. LINDSAY Washington Tel. No. 144	Feb. 28	Reports critical press reaction to announcement relating to arms embargo in No. 387.	389
392	SIR M. LAMPSON Peking Tel. No. 249 to Nanking	Feb. 28	Refers to Nos. 377 and 380: instructs on warning to give to M.F.A. against repeated doubts as to H.M.G.'s <i>bona fides</i> .	390
393	SIR F. LINDLEY Tokyo Tel. No. 59	Mar. 1	Replies to No. 386: mentions extent of Japanese military preparations and conditions which could lead to blockade of China.	390
394	MR. BLAND Brussels Tel. No. 2	Mar. 1	Reports M.F.A.'s assurance on Belgian Govt.'s co-operation in any international agreement relating to arms embargo (cf. Nos. 360 and 369).	391

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395 MR. PATTESON Geneva Tel. No. 153 L.N.	Mar. 1	Refers to No. 387: Mr. Eden requests advice on procedure.	391
396 To SIR F. LINDLEY Tokyo Tel. No. 71	Mar. 1	Requests observations on (1) question of Japanese competition in Dominion and Colonial markets and possible political reaction to any measure of protection for Japanese goods, (2) W. African Colonies' proposal to terminate application to them of Anglo-Japanese Commercial Treaty of 1911.	392
397 To SIR M. LAMPSON Peking Tel. No. 99	Mar. 1	Informs of Sir J. Simon's conversation with Chinese Chargé d'Affaires concerning (1) Rengo report (cf. No. 377), (2) H.M.G.'s announcement on arms embargo (cf. No. 387).	392
398 BRITISH LIBRARY OF INFORMATION New York Tel. No. 26	Mar. 1	Reports U.S. press reaction to H.M.G.'s announcement on arms embargo (cf. No. 387).	393
399 SIR M. LAMPSON Peking Tel. No. 161	Mar. 1	Repeats Tientsin telegram No. 40 of Feb. 28 to Peking informing of reported Japanese naval activity between Chinwangtao and Shanhaikuan.	394
400 SIR M. LAMPSON Peking Tel. No. 163	Mar. 1	Acknowledges 'most useful and timely information' in No. 390: informs how it is being used.	394
401 SIR F. LINDLEY Tokyo Tel. No. 60	Mar. 2	Reports Japanese reaction to announcement in No. 387.	395
402 SIR F. LINDLEY Tokyo Tel. No. 61	Mar. 2	Discusses probable Japanese reactions to imposition of arms embargo on Japan alone, and advantages of a statement concerning non-imposition of sanctions.	395
403 SIR F. LINDLEY Tokyo Tel. No. 62	Mar. 2	Reports, and supports, Canadian Minister's concern at press report that embargo on nickel is being advocated in Canada.	396
404 SIR M. LAMPSON Peking Tel. No. 167	Mar. 2	Replies to No. 386: considers declaration of war by China unlikely: C.-in-C. being consulted.	396
405 SIR M. LAMPSON Peking Tel. No. 172	Mar. 2	Repeats Nanking telegram No. 88 of Mar. 1 to Peking containing message from M.F.A. explaining unfairness to China of H.M.G.'s arms embargo.	397
406 SIR M. LAMPSON Peking Tel. No. 171	Mar. 2	Repeats Nanking telegram No. 89 of Mar. 1 to Peking containing report of Mr. Ingram's conversation with M.F.A. on Chinese Govt.'s attitude towards Rengo press reports (cf. No. 392), and misleading press report from London published in <i>Shanghai Evening Post</i> .	397
407 LORD TYRRELL Paris No. 32 Saving	Mar. 2	Refers to No. 360: summarizes critical French press reactions to H.M.G.'s decision on arms embargo.	398

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408	SIR R. LINDSAY Washington No. 341	Mar. 2	Refers to No. 367: comments on vagueness of Mr. Stimson's reply to Sir E. Drummond's invitation of Feb. 25 for U.S. co-operation in work of Advisory Committee.	399
409	SIR R. GRAHAM Rome Tel. No. 32	Mar. 3	Reports Signor Mussolini's views on suggested arms embargo (cf. No. 360).	400
410	TO MR. PATTESON Geneva Tel. No. 145 L.N.	Mar. 3	Replies to No. 395: advises no action until U.S. Govt.'s attitude towards arms embargo is known.	400
411	SIR M. LAMPSON Peking Tel. No. 177	Mar. 3	H.M. Consul-General, Mukden, has been informed by Japanese military authorities of steps being taken to protect British subjects at Jehol.	401
412	SIR M. LAMPSON Peking Tel. No. 179	Mar. 3	Military Attaché's report: general Chinese withdrawal and Jehol being evacuated.	401
413	TO SIR F. LINDLEY Tokyo No. 122	Mar. 3	Sir J. Simon's record of his conversation with Mr. Matsudaira on (1) misleading Rengo Agency report (cf. No. 377), (2) H.M.G.'s decision to refuse licences for arms export to China or Japan (cf. No. 387).	402
414	SIR F. LINDLEY Tokyo No. 146	Mar. 3	Transmits note by Commercial Counsellor on results of an economic boycott of Japan: considers Japan is in strong position to resist effect of application of Art. 16 of the Covenant.	403
415	SIR F. LINDLEY Tokyo Tel. No. 68	Mar. 4	Expresses his surprise at depth of Japanese resentment against arms embargo (cf. No. 401): urges H.M.G. to refrain from any gesture hostile to Japan.	406
416	SIR M. LAMPSON Peking Tel. No. 183	Mar. 4	Repeats Canton telegram No. 10 of Mar. 3 to Peking referring to arms embargo and forwarding Provincial Govt.'s request for special treatment to be accorded to a Vickers's contract: gives reasons.	407
417	SIR M. LAMPSON Peking Tel. No. 184	Mar. 4	Refers to No. 416: assumes effect of arms embargo on orders for, and employment in, United Kingdom was considered before decision taken.	407
418	SIR M. LAMPSON Peking Tel. No. 185	Mar. 4	Reports interview with Marshal Chang Hsueh-liang's private secretary, who enquired as to H.M.G.'s attitude towards Japanese invocation of Boxer Protocol to forbid Chinese troop movements on railway round Tangku: gives own view and suggestion he made to Mr. Li: asks for instructions: Mr. Li's report of situation in Jehol.	408
419	SIR M. LAMPSON Peking Tel. No. 188	Mar. 5	Repeats Mukden telegram No. 32 to Peking reporting occupation of Jehol by Japanese troops and their advance towards Kupeikow.	409

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420	To SIR M. LAMPSON Peking Tel. No. 110	Mar. 6	Refers to No. 418: gives facts to use when opposing any proposal to invoke Protocol against Chinese troop movements: approves advice given to Mr. Li.	409
421	To H.M. REPRESENTATIVES Paris Tel. No. 28 Washington Tel. No. 107 Rome Tel. No. 45 Prague Tel. No. 4 Stockholm Tel. No. 8 Brussels Tel. No. 9	Mar. 6	Refers to No. 360: informs of lack of universal agreement on imposition of arms embargo and intention to discuss question urgently at Geneva: instructions on request to make to Govt. to which accredited.	410
422	SIR R. GRAHAM Rome Tel. No. 33	Mar. 6	Reports receipt of <i>note verbale</i> from Italian Govt. in reply to No. 360 (cf. No. 409).	410
423	To SIR M. LAMPSON Peking Tel. No. 112	Mar. 7	Refers to No. 416 and proposal to review H.M.G.'s policy relating to arms embargo (cf. No. 421): suggests keeping matter of Vickers's contract in suspense a few more days.	411
424	To SIR F. LINDLEY Tokyo Tel. No. 75	Mar. 7	Comments on Japanese feeling about arms embargo reported in No. 415: instructs to repudiate any suggestion that embargo was designed to please U.S. Govt.	411
425	SIR M. LAMPSON Peking Tel. No. 196	Mar. 7	Refers to No. 411: Japanese military authorities announced Mar. 5 no reason to doubt safety of foreigners in Jehol: main military operations reported to be over.	411
426	SIR M. LAMPSON Peking Tel. No. 197	Mar. 7	Repeats Nanking telegram No. 97 of Mar. 5 to Peking summarizing unfavourable press comments on arms embargo, regarded as an injustice to China.	412
427	MR. PATTESON Geneva Tel. No. 169 L.N.	Mar. 8	Mr. Eden informs of proposal to be made at next meeting of Advisory Committee relating to withdrawal from Tokyo of ambassadors and ministers of Powers who voted for Resolution of Feb. 24.	413
428	To SIR M. LAMPSON Peking Tel. No. 113	Mar. 8	Gives information, as requested, on extent and limitations of arms embargo following Commercial Counsellor's report on fears of loss to foreign competitors of large aeroplane contracts.	413
429	SIR R. LINDSAY Washington Tel. No. 156	Mar. 8	Has given <i>aide-memoire</i> to Under-Secretary of State embodying statement in No. 421: reports subsequent inconclusive conversation with Mr. N. Davis.	414
430	SIR M. LAMPSON Peking Tel. No. 200	Mar. 8	Refers to No. 423 and previous experience in attempting to enforce an arms embargo in China: emphasizes effect on number of orders placed in Great Britain.	414

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431	SIR F. LINDLEY Tokyo No. 150	Mar. 8	Reports on extent of Communism in Japan, widespread arrests, and improvement in status of police officers.	415
432	SIR F. LINDLEY Tokyo No. 152	Mar. 8	Gives details of Japanese reactions to H.M.G.'s decision on arms exports to China and Japan (cf. No. 401) and explains action taken.	417
433	SIR M. LAMPSON Peking No. 305	Mar. 8	Transmits record of his conversation on Mar. 6 with the French Minister on developments in Jehol and their agreement that they could do nothing regarding it at present. <i>Annex.</i> Mr. T. V. Soong's statement of Mar. 5 on the Jehol collapse.	420 422
434	SIR M. LAMPSON Peking Tel. No. 205	Mar. 9	Refers to No. 192: reports further request from British and Chinese Corporation for representations on behalf of British bondholders: asks for instructions.	423
435	SIR M. LAMPSON Peking Tel. No. 206	Mar. 9	Repeats Mukden telegram No. 37 of Mar. 8 to Peking containing report on military situation.	423
436	SIR O. RUSSELL The Hague No. 98	Mar. 9	Reports conversation with Mr. H. Saito, Japanese Minister, who expressed appreciation of Sir J. Simon's attitude of fairness at Geneva, discussed results of Mr. Matsuoka's recent visit to The Hague, and denied Japanese intention to seize oil supplies in N.E. Borneo in event of conflict in the Pacific.	424
437	SIR F. LINDLEY Tokyo	Mar. 9	Letter to Sir R. Vansittart referring to Mr. Bernard Shaw's visit to Japan and repeating Japanese Prime Minister's alleged statement to Mr. Shaw about Japan's recognition of Manchukuo having been a first-class blunder.	425
438	SIR F. LINDLEY Tokyo Tel. No. 71	Mar. 10	Japanese forces have met with check at Kupeikou and may consider invasion of N. China.	426
439	SIR M. LAMPSON Peking Tel. No. 210	Mar. 10	Reports resignation of Marshal Chang Hsueh-liang, taking over of command by General Ho Ying-chin, and severe fighting at Kupeikow.	426
440	SIR M. LAMPSON Peking Tel. No. 211	Mar. 10	Informs of Reuter's report of Mar. 10 from Tokyo relating to alleged instructions to Japanese Legation at Peking and possibility of Japanese Govt. approaching Sir M. Lampson to use his good offices to prevent extension of military operations into N. China: action taken.	426
441	LORD TYRRELL Paris Tel. No. 1 to Washington	Mar. 10	Message from Sir J. Simon, on way to Geneva, referring to No. 429 and suggesting attitude to take in discussing Far East arms embargo.	427

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
442	To SIR J. SIMON Geneva	Mar. 10	Letter from Sir R. Vansittart explaining why he considers resistance to proposal in No. 427 to be desirable.	427
443	SIR M. LAMPSON Peking No. 311	Mar. 10	Transmits copy of Dr. Lo Wen-kan's letter of Mar. 3 acknowledging enclosure 2 in No. 383; agrees that Reuter's action was somewhat unwise.	428
444	SIR F. LINDLEY Tokyo Tel. No. 73	Mar. 11	Refers to No. 445: reports Vice-M.F.A.'s view on purpose of report mentioned in No. 440: considers Japanese forces would not move if Marshal Chang Hsueh-liang left Peking.	429
445	SIR F. LINDLEY Tokyo Tel. No. 72	Mar. 11	Refers to No. 438: reports conversation with Vice-M.F.A. on undesirability of extending military activities: Vice-M.F.A.'s denial of any intention to approach Sir M. Lampson (cf. No. 440) and confidence that there would be no trouble.	429
446	SIR M. LAMPSON Peking Tel. No. 216	Mar. 11	Has informed Vice-F.M.A. that there was no truth in Reuter's report referred to in No. 440.	430
447	SIR M. LAMPSON Peking Tel. No. 213	Mar. 11	Repeats Canton telegram No. 13 of Mar. 9 to Peking referring to No. 423 and describing action taken concerning Vickers's contract.	430
448	SIR M. LAMPSON Peking No. 338	Mar. 11	A general account of circumstances and events leading up to and attending the recent Japanese invasion of Jehol province.	431
449	MR. PATTESON Geneva Tel. No. 178 L.N.	Mar. 12	Message from Sir J. Simon to Lord President of the Council relating to view of Prime Minister and himself that announcement of Feb. 27 on arms embargo (cf. No. 387) should be withdrawn owing to lack of international agreement: hopes blame will not be put specifically on U.S.	438
450	SIR M. LAMPSON Peking Tel. No. 218	Mar. 12	Transmits Military Attaché's report: General Ho Ying-chin in command of N.E. armies: Chinese military movements.	439
451	COMMANDER TIENTSIN AREA Tel. No. 1/5637	Mar. 12	Reports to G.O.C., Hong Kong, on situation at Chinwangtao and Shanhaikuan.	439
452	To SIR F. LINDLEY Tokyo Tel. No. 80	Mar. 13	Refers to Nos. 444 and 445: instructs on representations to make to M.F.A. on improper use of Sir M. Lampson's name by Japanese Foreign Office in speaking to press agents.	440
453	SIR F. LINDLEY Tokyo Tel. No. 76	Mar. 13	Comments on probable effects of denunciation of Anglo-Japanese Commercial Treaty of 1911 by W. African colonies (cf. No. 396).	440
454	To SIR F. LINDLEY Tokyo Tel. No. 81 To SIR M. LAMPSON Peking Tel. No. 124	Mar. 13	Informs of H.M.G.'s decision to remove embargo on export of arms to Far East as from Mar. 13.	442

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
455	SIR M. LAMPSON Peking No. 328	Mar. 13	Transmits record of his interview with Mr. Nathan on possibilities of incidents in Chinwangtao area and Japanese attitude towards Kailan Mining Administration's property.	442
456	SIR F. LINDLEY Tokyo Tel. No. 78	Mar. 14	Reports conversation, in accordance with instructions in No. 452, with Vice-M.F.A., who expressed regret at any inconvenience caused.	444
457	SIR M. LAMPSON Peking Tel. No. 221	Mar. 14	Inform of statement which M.F.A. has requested U.S. and French Ministers and himself to send to their Govts. concerning China's intention not to negotiate directly with Japan but to stand by League Resolution of Feb. 24: comments on object of statement: reports alleged Japanese check at Hsifengkow.	444
458	SIR F. LINDLEY Tokyo Tel. No. 79	Mar. 15	Refers to No. 457: comments on Japanese Govt.'s desire to negotiate with Chinese: forecasts extension of fighting if Chinese continue military struggle.	446
459	SIR M. LAMPSON Peking Tel. No. 222	Mar. 15	Repeats Mukden telegram No. 43 of Mar. 12 to Peking relating to Japanese military plans following completion of necessary operations in Jehol.	446
460	SIR M. LAMPSON Peking Tel. No. 227	Mar. 15	Rengo News Agency has stated that any chance of Japanese intervention disappeared with Marshal Chang Hsueh-liang's resignation: disappointment of Japanese military authorities in Peking.	447
461	SIR M. LAMPSON Peking Tel. No. 232	Mar. 15	Reports conversation with M.F.A., who asked his advice as to what China should now do.	447
462	MR. PATTESON Geneva Tel. No. 36 Saving L.N.	Mar. 15	Mr. Cadogan's report of proceedings at first meeting of Advisory Committee (cf. No. 370): Soviet Govt.'s refusal to participate: position of U.S. Govt.'s representative: two Sub-Committees appointed.	448
463	SIR M. LAMPSON Peking Tel. No. 233	Mar. 16	Reports conversation with Dr. Chiang Mou-lin, head of Peking University, on Chinese political affairs.	449
464	SIR M. LAMPSON Peking Tel. No. 247	Mar. 21	Reports his conversation with Dr. Kung on Mar. 20 relating to (1) Japan's attitude towards military activity against China, (2) Chinese rejection of Japanese overtures for pan-Asiatic bloc, (3) proposed severance of diplomatic relations with Japan, (4) growing opposition to General Chiang Kai-shek.	450
465	SIR F. LINDLEY Tokyo Tel. No. 82	Mar. 22	Refers to No. 354: states that Japanese Govt. will probably communicate their withdrawal from League of Nations to Geneva on Mar. 27.	452

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
466	SIR F. LINDLEY Tokyo	Mar. 24	Letter to Sir V. Wellesley giving his views on (1) reasons for increased home production and imports of war material in Japan, (2) Japanese attitude towards Soviet Russia in connexion with Manchurian question.	452
467	TO SIR F. LINDLEY Tokyo Tel. No. 86	Mar. 25	Refers to No. 434: advises on form of protest to make to Japanese Govt.	454
468	SIR M. LAMPSON Peking	Mar. 25	Letter to Sir V. Wellesley discussing the Japanese claim to Chief Secretaryship of Chinese Maritime Customs Administration and Sir F. Maze's choice of his own successor as Inspector-General.	454
469	SIR F. LINDLEY Tokyo Tel. No. 89	Mar. 27	Informs of departure of Mr. Yoshizawa for Shanghai and suggests purpose of visit.	456
470	SIR M. LAMPSON Peking Tel. No. 264	Mar. 28	Reports Japanese protest against transit of Chinese troops by railway through prohibited area of Shanghai (cf. Vol. X, No. 415): steps taken to dissuade Japanese from referring question to Joint Commission: attitude to be taken by diplomatic colleagues if question so referred.	457
471	MR. PATTESON Geneva Tel. No. 45 Saving L.N.	Mar. 29	Mr. Carr's report on proceedings at Advisory Committee's meeting on Mar. 28.	458
472	MR. DORMER Bangkok Tel. No. 5	Mar. 30	Reports Siamese Govt.'s resentment of Japanese interpretation of their abstention from voting at Geneva on Feb. 24 (cf. No. 365).	459
473	MR. DORMER Bangkok No. 56	Mar. 30	Reports conversations with M.F.A. on Siam's attitude towards China and Japan: M.F.A.'s explanation of Siam's abstention from voting at Geneva on Feb. 24.	460
474	SIR J. PRATT Foreign Office	undated	Memo. on action taken by H.M.G. relating to embargo on export of arms to Far East, Feb. 23-Mar. 28, 1933.	461
475	SIR F. LINDLEY Tokyo No. 192	Mar. 31	Reports information given to him by Dutch Minister concerning proposed Japan-Netherlands Arbitration Treaty and Non-Aggression Pact.	463
476	SIR M. LAMPSON Peking	Mar. 31	Letter to Mr. Orde commenting on proposal to appoint a British Consul at Urumchi.	464

CHAPTER IV

Situation following Chinese defeat in Jehol: Tangku Truce Agreement of May 31, 1933

April 1-June 3, 1933

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
477 SIR M. LAMPSON Peking Tel. No. 273	Apr. 1	Repeats Nanking telegram No. 132 of Mar. 30 to Peking referring to No. 469 and reporting Chinese Govt.'s intention not to agree to direct Sino-Japanese negotiations behind the League's back.	466
478 To SIR M. LAMPSON Peking Tel. No. 144	Apr. 3	Suggests unofficial influence be used to prevent Chinese from reducing to single track the railway between Kuyeh and Chinwangtao owing to its importance to Kailan Mining Administration.	467
479 SIR M. LAMPSON Peking Tel. No. 279	Apr. 3	Repeats Tientsin telegram No. 59 of Apr. 1 to Peking reporting occupation of Shimenchai by Kuantung army.	467
480 SIR M. LAMPSON Peking Tel. No. 282	Apr. 3	Military Attaché's report of his conversation with Vice-M.F.A. on Apr. 1 and his impression that Chinese were ready to come to terms with Japanese if that were possible without too much loss of face.	468
481 SIR M. LAMPSON Peking Tel. No. 287	Apr. 4	Repeats Harbin telegram No. 10 of Apr. 1 to Peking concerning Manchurian Govt.'s demand to Soviet Russia to return locomotives and rolling stock removed from Chinese Eastern railway.	468
482 SIR M. LAMPSON Peking Tel. No. 289	Apr. 4	Repeats Mukden telegram No. 56 of Apr. 2 to Peking reporting military situation.	469
483 SIR M. LAMPSON Peking Tel. No. 290	Apr. 4	Military Attaché's report on withdrawal of certain Chinese regular troops: considers attempt being made to avoid further friction along Great Wall.	469
484 SIR M. LAMPSON Peking Tel. Nos. 291 and 292	Apr. 4	Reports on situation relating to proposed lifting of double track railway (cf. No. 478): suggests strategic reasons for alteration of track.	469
485 SIR M. LAMPSON Peking Tel. No. 293	Apr. 4	Repeats Tientsin telegram No. 61 of Apr. 3 to Peking reporting views of agent of Kailan Mining Administration on Japanese press reports about events at Shanhai-kuan and Chinwangtao.	470
486 SIR M. LAMPSON Peking Tel. No. 298	Apr. 4	Repeats Tientsin telegram No. 62 of Apr. 4 to Peking relating to military situation at Shihmenchai and near Chinwangtao.	470
487 SIR M. LAMPSON Peking Tel. No. 299	Apr. 4	Repeats Tientsin telegram No. 63 of Apr. 4 to Peking reporting Japanese advance towards Chinwangtao and apparent readiness of Chinese troops there for early departure.	471

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
488 SIR M. LAMPSON Peking Tel. No. 301	Apr. 5	Refers to No. 478: informs of instructions he has given to Mr. Ingram for unofficial representations to M.F.A.	471
489 SIR F. LINDLEY Tokyo Tel. No. 93	Apr. 6	Refers to No. 469: M.F.A. has informed him that Mr. Yoshizawa failed to get into touch with any influential Chinese.	472
490 SIR M. LAMPSON Peking Tel. No. 305	Apr. 6	Reports conversation with M.F.A. on situation around Chinwangtao.	472
491 SIR M. LAMPSON Peking Tel. No. 189 to Vice-Admiral Sir F. Dreyer	Apr. 6	Emphasizes desirability of not joining in any protest, without H.M.G.'s instructions, in event of Japanese men-of-war using Kailan Mining Administration's wharf at Chinwangtao (cf. No. 492): informs of suggestion made to General Manager to yield to <i>force majeure</i> .	473
492 SIR M. LAMPSON Peking Tel. No. 307	Apr. 6	Describes position with regard to access by Japanese vessels to Kailan Mining Administration's wharf at Chinwangtao, and refers to his reply to C.-in-C.'s request for views on protest to Japanese Govt. (cf. No. 491).	473
493 SIR M. LAMPSON Peking No. 442	Apr. 6	Transmits Military Attaché's report on Sino-Japanese military operations since the Japanese occupation of Jehol on Mar. 4.	474
494 SIR F. LINDLEY Tokyo Tel. No. 94	Apr. 7	Refers to No. 490: informs of Japanese plans in neighbourhood of Shanhaikuan as reported to Military Attaché.	476
495 To SIR M. LAMPSON Peking Tel. No. 149	Apr. 8	Informs of H.M.G.'s anxiety that increases in duties on cotton textiles after lapse of Sino-Japanese Tariff Agreement on May 16 should inflict least possible injury on U.K. trade: instructions on approach to make to Chinese Govt.	477
496 SIR M. LAMPSON Peking Tel. No. 446 to Nanking	Apr. 8	Refers to earlier instructions (cf. No. 488): representations also to be made on behalf of loan interests.	478
497 SIR M. LAMPSON Peking No. 472	Apr. 8	Submits detailed report on developments in political situation in China during the past three months.	478
498 SIR F. LINDLEY Tokyo Tel. No. 96	Apr. 10	Learns of alleged contract under which S. Manchuria Railway undertake to give French interests share of all future orders.	486
499 To SIR F. LINDLEY Tokyo Tel. No. 90	Apr. 10	Informs of notice being given that day to Japanese Ambassador of denunciation of Anglo-Japanese Convention of 1904 respecting commercial relations between Japan and India.	487
500 SIR M. LAMPSON Peking Tel. No. 338	Apr. 12	Military Attaché's report: fighting in Chinwangtao section ceased on Apr. 7.	487

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
501	SIR F. LINDLEY Tokyo Tel. Nos. 100 and 101	Apr. 13	Comments on possibly dangerous effects of renewed boycott activity in China.	488
502	SIR M. LAMPSON Peking Tel. No. 341	Apr. 13	Reports his conversation with Mr. Yoshizawa on Sino-Japanese relations.	488
503	SIR F. LINDLEY Tokyo Tel. No. 102	Apr. 14	Refers to No. 494: has been informed of Japanese intention to drive Chinese forces across the river Luan but not to hold that line.	489
504	SIR M. LAMPSON Peking Tel. No. 352	Apr. 14	Refers to No. 501: has no knowledge of increased boycott activity.	489
505	SIR F. LINDLEY Tokyo Tel. No. 104	Apr. 15	Refers to No. 504: offers possible explanation for M.F.A.'s exaggerated references to boycott.	490
506	SIR J. PRATT Foreign Office	undated	Memo. on the 'Stimson' or 'Hoover' doctrine of non-recognition.	490
507	SIR M. LAMPSON Peking Tel. No. 368	Apr. 16	Summarizes reply sent to General Ho Ying-chin's enquiry for his views on Japanese military intentions: has informed General Ho that occupation of Peking and Tientsin not expected, asked him why Chinese continued an obviously useless struggle, and reminded him of British interests in area involved.	492
508	SIR M. LAMPSON Peking Tel. No. 370	Apr. 17	Military Attaché's report: Chinese troop withdrawals in Luan river area and from Chinwangtao.	493
509	SIR M. LAMPSON Peking Tel. No. 382	Apr. 19	Informs of conversations between diplomatic colleagues as to how present position and threat to communications with the sea affect Final Protocol of 1901.	493
510	SIR M. LAMPSON Peking Tel. No. 388	Apr. 19	Refers to No. 509: reports colleagues' rejection of a Chinese suggestion that Protocol Powers should station detachments of troops at Luan river bridge to ensure its preservation.	494
511	SIR M. LAMPSON Peking Tel. No. 389	Apr. 19	Reports conversation with Mr. Nakayama, Secretary in charge of Japanese Legation, who gave information on Japanese plans and suggested that only Sir M. Lampson himself could bring about cessation of hostilities: describes attitude he took and asks for general directions.	494
512	TO MR. SNOW Tokyo Tel. No. 92	Apr. 20	Instructions on representations to make to M.F.A. concerning reported Japanese advance beyond Great Wall.	495
513	MR. SNOW Tokyo Tel. Nos. 110 and 111	Apr. 20	Describes reactions in Japan to abrogation of Commercial Convention of 1904 (cf. No. 499): gives Legation's views on effects of exclusion of Japanese products from India.	496

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
514 To SIR R. LINDSAY Washington Tel. No. 174	Apr. 20	Sir V. Wellesley's summary for Sir R. Vansittart of military position and probable Japanese plan to create a neutral zone between Luan river, the sea, and Great Wall; informs of instructions in No. 512.	497
515 MR. SNOW Tokyo Tel. No. 114	Apr. 21	Refers to No. 512: reports M.F.A.'s reply to representations: Japanese advance due solely to Chinese provocative actions: future Japanese plans outlined.	498
516 SIR M. LAMPSON Peking Tel. No. 395	Apr. 21	Reports visit on Apr. 20 from Mr. Hsiung Hsi-ling, a former prime minister, who discussed question of negotiations for cessation of Sino-Japanese hostilities through intervention of third party, and his own explanation of difficulties of situation.	499
517 SIR M. LAMPSON Peking Tel. No. 396	Apr. 21	Reports effort by Dr. Chiang Mou-lin to invoke his good offices to secure an armistice, and his conditions for agreement.	500
518 To SIR M. LAMPSON Peking Tel. No. 170	Apr. 22	Informs of H.M.G.'s decision to withdraw one battalion from Shanghai (cf. No. 135) as soon as suitable accommodation available at Hong Kong.	501
519 MR. SNOW Tokyo Tel. No. 115	Apr. 22	Refers to No. 515: suggests advantages of Sir M. Lampson's intervention to secure armistice (cf. No. 511) might override risk of Chinese misrepresentation of his action.	502
520 SIR M. LAMPSON Peking Tel. No. 408	Apr. 22	Transmits (1) summary of points he made in conversation with Dr. Chiang Mou-lin (cf. No 517) as telegraphed to Mr. Wang. Ching-wei by Minister of War, (2) Mr. Wang Ching-wei's reply.	502
521 SIR M. LAMPSON Peking Tel. No. 409	Apr. 22	Refers to No. 520: reports conversation with U.S. Minister on question of good offices: agreement reached on procedure, subject to approval of British and U.S. Govts.	503
522 SIR M. LAMPSON Peking Tel. No. 410	Apr. 23	Reports receipt of personal letter from M.F.A. begging for his intervention to prevent further Japanese advance: has suggested preparation by Chinese of a formula defining scope of discussions.	504
523 SIR M. LAMPSON Peking Tel. No. 418	Apr. 25	Has told Mr. Nakayama of his readiness to explore further the feeler he threw out on Apr. 19 (cf. No. 511).	505
524 SIR M. LAMPSON Peking Tel. No. 419	Apr. 25	Repeats Nanking telegram No. 178 of Apr. 24 to Peking describing M.F.A.'s strong opposition to any negotiations with Japanese and reporting similar attitude on part of Chinese press.	505
525 SIR M. LAMPSON Peking Tel. No. 420	Apr. 25	Repeats Nanking telegram No. 180 of Apr. 24 to Peking referring to Nos. 520, 522, and 524: M.F.A.'s support of initiative by	506

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		neutral Powers alone: political effect in N. China of Japanese propaganda: Mr. Ingram's intention to keep aloof from these matters.	
526 SIR M. LAMPSON Peking Tel. No. 421	Apr. 25	Refers to Nos. 524 and 525: has told Vice-M.F.A. he is not prepared to concern himself further until Chinese Govt.'s wishes are authoritatively stated.	507
527 SIR M. LAMPSON Peking Tel. No. 422	Apr. 25	Inform of reply he has suggested to message from Associated Press, New York, stating that he was negotiating an armistice between China and Japan.	507
528 To SIR M. LAMPSON Peking Tel. No. 171	Apr. 26	Refers to Nos. 511 and 522: approves manner in which Sir M. Lampson has handled delicate matter of possible armistice negotiations, and action proposed in No. 521.	507
529 To SIR M. LAMPSON Peking Tel. No. 174	Apr. 27	Approves action reported in No. 526: affirms necessity for unequivocal desire of both sides for H.M.G.'s good offices.	508
530 SIR M. LAMPSON Peking Tel. No. 427	Apr. 27	Has informed U.S. Minister of attitude he has taken (cf. No. 526): states their agreement to do nothing unless further approached by either side.	508
531 SIR M. LAMPSON Peking Tel. No. 428	Apr. 27	Military Attaché's report of withdrawal of Japanese troops to Great Wall in Luan river section and possible significance of move.	509
532 MR. SNOW Tokyo No. 239	Apr. 27	Comments on reported Japanese Govt.'s readiness to seize oil-workings in Borneo in event of supplies being cut off from further west: suggests reason for abandonment of proposed Japan-Netherlands Non-Aggression Pact (cf. No. 475).	509
533 SIR M. LAMPSON Peking Tel. No. 431	Apr. 28	Reports conversation on Apr. 27 with Dr. Chiang Mou-lin, to whom he explained his position (cf. No. 526), and discussion of Chinese military actions and political conditions.	510
534 SIR M. LAMPSON Peking Tel. No. 433	Apr. 28	Reports meeting on Apr. 27 between Chinese Vice-M.F.A., Minister of Industry, generals from N. China, and U.S. and French Ministers and himself: Nanking Govt.'s desire for cessation of hostilities and neutrals' good offices clarified: describes action agreed among diplomatic colleagues.	511
535 SIR M. LAMPSON Peking Tel. No. 533 to Nanking	Apr. 28	Instructions to pass on to M.F.A. suggestions made by Consul-General, Kashgar, concerning Chinese policy in Sinkiang Province.	512
536 SIR M. LAMPSON Peking Tel. No. 437	Apr. 28	Reports request from Vice-M.F.A. to make warning representations to Japan against further aggression on China.	512

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
537	SIR M. LAMPSON Peking Tel. No. 441	Apr. 28	Jailitary Attaché's report of Chinese and Mpanese withdrawals.	513
538	MR. SNOW Tokyo Tel. No. 121	Apr. 29	Reports impression of French Ambassador, H.M. Military Attaché, and himself that Japanese Govt. did not desire good offices at present.	513
539	SIR M. LAMPSON Peking Tel. No. 436	Apr. 29	Repeats Nanking telegram No. 185 of Apr. 26 to Peking referring to No. 526 and reporting conversation with M.F.A. concerning (1) unofficial nature of Dr. Chiang Mou-lin's views, (2) his appreciation of any personal influence that Sir M. Lampson could exert to secure cessation of hostilities, (3) China's legal and moral grounds for not taking initiative to secure armistice.	514
540	SIR M. LAMPSON Peking Tel. No. 444	Apr. 30	Refers to No. 536: informs of agreement among colleagues not to make any further move owing to changed circumstances.	515
541	SIR M. LAMPSON Peking Tel. No. 447	Apr. 30	Repeats Nanking telegram No. 187 of Apr. 28 to Peking concerning exchanges of M.F.A. with French Minister on Apr. 22 similar to those with Sir M. Lampson recorded in No. 522, and M.F.A.'s explanation of Chinese position to M. Padoux (French Adviser to National Govt.) on Apr. 27 in terms similar to those in No. 539.	515
542	SIR M. LAMPSON Peking Tel. No. 448	Apr. 30	Repeats Nanking telegram No. 189 of Apr. 29 to Peking relating to M.F.A.'s instructions to M. Padoux in late March to explore with Japanese Legation possibilities of arrangement for general settlement of Sino-Japanese issue.	516
543	COMMANDER TIENTSIN AREA Tel. No. 1/5752 to G.O.C. Hong Kong	May 1	Informs of position regarding agreement for running of trains into Shanhaikuan station and Japanese terms for assisting in restoration of through traffic between Chinwangtao and Shanhaikuan.	516
544	MR. FITZMAURICE Batavia No. 52	May 1	Describes anxiety expressed in local press about Japanese interest in Netherlands India: suggests that report of conclusion of Japanese-Netherland Arbitration Treaty of Apr. 19, 1933, has led to calmer atmosphere.	517
545	SIR M. LAMPSON Peking Tel. No. 456	May 2	Comments on Mr. Nakayama's suggestion that Chinese and Japanese should address letters to a third party agreeing not to advance into a certain zone: proposes to take no action at present (cf. No. 540).	519
546	SIR M. LAMPSON Peking Tel. No. 475	May 5	Reports position relating to non-payment by Chinese Govt. of March and April instalments of British Boxer Indemnity.	520

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
547	SIR M. LAMPSON Peking Tel. No. 478	May 8	Reports M.F.A.'s change of mind concerning military armistice and a message from him repeating appeal in No. 522.	521
548	MR. SNOW Tokyo Tel. No. 126	May 9	Informs of Japanese General Staff's statement to Military Attaché on reasons for Japanese general offensive, May 7-8, and its objectives.	521
549	SIR M. LAMPSON Peking Tel. No. 557 to Nanking	May 9	Explains why he is unable to act as suggested by M.F.A. (cf. No. 547) unless M.F.A. is more precise as to what he wants done.	522
550	SIR M. LAMPSON Peking Tel. No. 486	May 9	Suggests Mr. T. V. Soong be invited to visit London after his present visit to U.S.	522
551	SIR M. LAMPSON Peking Tel. No. 487	May 9	Military Attaché's report on Japanese offensive on May 7 (cf. No. 548).	523
552	SIR M. LAMPSON Peking Tel. No. 492	May 9	Informs of reports from Kailan Mining Administration's agent, Chinwangtao, of Japanese failure on May 7 to open negotiations with Chinese on through traffic on railway (cf. No. 543), and of retreat of Chinese troops before Japanese, May 7-8.	523
553	MR. ORDE Foreign Office	May 9	Record of conversation between Viscount Cecil of Chelwood and Sir R. Vansittart on question of economic sanctions against Japan.	524
554	SIR M. LAMPSON Peking Tel. No. 498	May 10	Military Attaché's report on Chinese retreat and possibility of destruction of Luan river bridge.	524
555	MR. SNOW Tokyo Tel. No. 127	May 11	Refers to No. 548: suggests seriousness of Japanese advance.	525
556	MR. FITZMAURICE Batavia No. 56	May 11	Refers to No. 544 and Japanese proposal to establish a fishery base on Pulo Weh island: reports conversation with C.-in-C. Dutch Naval Forces in Netherlands India, who regretted H.M.G.'s encouragement of expansion of Japanese fishery industry in N. Borneo.	525
557	TO SIR R. LINDSAY Washington Tel. No. 257	May 12	Instructions on invitation to give to Mr. T. V. Soong to visit London (cf. No. 550).	526
558	SIR M. LAMPSON Peking Tel. No. 507	May 12	Military Attaché's report on Japanese approach to Luan river, indications of preparations for heavy attack, and probable Japanese intentions.	526
559	SIR M. LAMPSON Peking Tel. No. 509	May 12	Discusses aims of Japanese advance: reports creation of new Peking political council in succession to Marshal Chang Hsueh-liang's N.E. political committee.	527

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
560	MR. SNOW Tokyo No. 269	May 12	Reports reception given to Mr. Matsuoka on his return to Japan on Apr. 27 and his conversation with him on May 2 when he (1) expressed appreciation of Sir J. Simon's assistance at Geneva, (2) criticized Lord Lytton and explained his view that H.M.G. had changed their attitude towards Japan owing to a threatened anti-British boycott in China.	529
561	SIR M. LAMPSON Peking Tel. No. 515	May 13	Repeats Nanking telegram No. 212 of May 11 to Peking referring to No. 549 and reporting reasons for M.F.A.'s inability to be more precise and his unwillingness to negotiate while Japanese forces remained on Chinese soil.	532
562	TO SIR M. LAMPSON Peking No. 363	May 15	Sir J. Simon's account of his conversation with Mr. Quo Tai-chi concerning Sino-Japanese situation: Mr. Quo drew attention to Sir F. Lindley's reported statement in Canada in favour of Japan. <i>Note 4.</i> Correctness of alleged statement denied.	532
563	SIR M. LAMPSON Peking Tel. No. 521	May 16	Informs of steps he is taking to comply with requests of Kailan Mining Administration in view of Japanese advance.	534
564	MR. SNOW Tokyo Tel. No. 134	May 16	Reports military situation and alleged statement by General Muto relating to Japanese withdrawal to Great Wall if Chinese provocative attitude abandoned.	534
565	SIR M. LAMPSON Peking Tel. No. 518	May 16	Reports conversation with Mr. Suma on Japanese and Chinese desire to break present impasse and conditions in which Sir M. Lampson could offer his good offices.	535
566	SIR M. LAMPSON Peking Tel. No. 530	May 16	Repeats Tientsin telegram No. 87 of May 15 to Peking relating to military situation, damage to Luan river bridge, removal to mining area of most of Kailan Mining Administration's rolling stock.	536
567	SIR M. LAMPSON Peking Tel. No. 551	May 19	Repeats Tientsin telegram No. 92 of May 17 to Peking reporting Japanese advance to Kaiping and Tongshan, no damage to Kailan Mining Administration's personnel or property.	536
568	MR. SNOW Tokyo Tel. No. 138	May 20	Reports reaction to President Roosevelt's peace message of May 16, 1933 (see Vol. V, No. 146).	537
569	SIR M. LAMPSON Peking Tel. No. 555	May 20	Military Attaché's report of situation and part taken by press in preparing public opinion for cessation of hostilities.	537
570	SIR M. LAMPSON Peking Tel. No. 558	May 21	Repeats Canton telegram No. 27 of May 19 to Peking giving gist of manifesto from S.W. Political Council to League of Nations on alleged negotiations between Nanking military commission and Japan.	537

	NO. AND NAME	DATE	MAIN SUBJECT	PAGE
571	SIR M. LAMPSON Peking Tel. No. 564	May 22	Reports conversation with Vice-M.F.A. relating to (1) military situation, (2) Boxer Protocol and Japanese advance on Peking, (3) conditions under which Sir M. Lampson could act as middleman in securing cessation of hostilities: informs of action he is taking.	538
572	SIR M. LAMPSON Peking Tel. No. 563	May 23	Military Attaché reports general withdrawal of Chinese troops although military authorities deny negotiations for armistice.	540
573	SIR M. LAMPSON Peking Tel. No. 565	May 23	Reports strengthening of Japanese Legation guard, tense atmosphere in Peking, and diplomatic colleagues' decision to assume privileges of Legation quarter would not be abused: expresses uneasiness at situation.	540
574	SIR M. LAMPSON Peking Tel. No. 566	May 23	Informs of precautionary communication sent to General Ho Ying-chin's staff expressing hope that British premises in Peking will be respected.	541
575	MR. SNOW Tokyo Tel. No. 144	May 23	Refers to No. 571: considers Japanese not anxious for third party good offices: suggests preliminary enquiry be made by Military Attaché.	541
576	SIR M. LAMPSON Peking Tel. No. 572	May 24	Reports meeting with Mr. Huang Fu, who informed him of Japanese terms, accepted by General Ho, for opening of armistice negotiations.	542
577	MR. SNOW Tokyo Tel. No. 147	May 24	Informs of alleged preparations for armistice and end to Japanese advance towards Peking: suggests proposal in No. 575 now unnecessary.	543
578	TO MR. SNOW Tokyo Tel. No. 121	May 24	Refers to No. 571: value of discussion with Japanese Govt. of question of cessation of hostilities left to Mr. Snow's own judgment.	543
579	MR. SNOW Tokyo Tel. No. 150	May 25	Has been informed by Ministry of Foreign Affairs that armistice negotiations are taking place between Chinese and Japanese military representatives.	544
580	SIR M. LAMPSON Peking Tel. No. 581	May 25	Informs of position relating to payment by China of Boxer Indemnity payments (cf. No. 546): suggests question be raised with Mr. T. V. Soong when in London (cf. No. 557).	544
581	SIR M. LAMPSON Peking Tel. No. 590	May 26	Reports meeting on May 23 between diplomatic representatives of Legations, other than Japanese, having Legation Guards and their decision relating to status of Japanese troops within the Legation quarter.	544
582	SIR M. LAMPSON Peking Tel. No. 594	May 26	Repeats Nanking telegram No. 227 of May 24 to Peking reporting conversation with Mr. Okazaki who alleged that Japan-	546

NO. AND NAME	DATE	MAIN SUBJECT	PAGE
		ese Minister was anxious that armistice negotiations should not prejudice Mr. Huang Fu's position: reasons for Japanese military not wanting to be forced to overrun N. China and set up an independent regime.	
583 SIR M. LAMPSON Peking Tel. No. 595	May 26	Refers to No. 576: reports alleged progress towards armistice negotiations and relaxation of tension in Peking: considers situation obscure and precarious.	547
584 MR. SNOW Tokyo No. 301	May 26	Report on political situation in Japan and effects on the Seiyukai party of Mr. Takahashi's decision to continue as Minister of Finance in Admiral Saito's cabinet.	547
585 SIR M. LAMPSON Peking Tel. No. 596	May 27	Repeats Nanking telegram No. 229 of May 25 to Peking referring to No. 582 and reporting Mr. Okazaki's views on attitude of Chinese National Govt. and of Japanese military towards a military armistice in N. China.	550
586 SIR M. LAMPSON Peking Tel. No. 599	May 27	Repeats Tientsin telegram No. 101 of May 26 to Peking reporting Chinese troops' mutiny between Taku and Tientsin, and steps taken to control situation.	551
587 MR. SNOW Tokyo No. 307	May 29	Describes and comments on reactions in Japan to President Roosevelt's proposals of May 16 (cf. No. 568).	551
588 SIR M. LAMPSON Peking Tel. No. 602	May 30	Informal negotiations for military armistice alleged to be proceeding smoothly: rumours of opposition by General Feng Yu-hsiang in alliance with Canton and other anti-Chiang Kai-shek elements.	553
589 SIR M. LAMPSON Peking Tel. No. 603	May 30	Repeats Nanking telegram No. 231 of May 27 to Peking concerning Chinese Govt.'s intention not to confirm or repudiate immediately any understanding for military armistice arrived at in N. China.	554
590 SIR M. LAMPSON Peking Tel. No. 614	June 1	Reports signature of armistice at Tangku on May 31.	554
591 SIR M. LAMPSON Peking Tel. No. 616	June 1	Summarizes terms of armistice as given by Japanese military sources: assumes conclusion reached with full knowledge and authority of Chinese National Govt.: denunciations expected from Canton: attitude of N. leaders not yet known.	554
592 CHINESE MINISTER London F.O. 33/63	June 3	Transmits (1) translation of truce agreement signed by representatives of Chinese and Japanese military authorities in N. China, (2) undated statement by Mr. Wang Ching-wei on the agreement.	555

APPENDIX

Sir M. Lampson's review of events in China, 1926-1933

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CHAPTER I

Far Eastern Affairs following the publication of the Lytton Report

October 13–December 28, 1932

No. 1

Sir J. Simon to Sir F. Lindley¹ (Tokyo)

No. 135 Telegraphic [F 7366/561/10]

FOREIGN OFFICE, *October 13, 1932, 6.35 p.m.*

Peking telegram No. 781² which will be repeated to you from there.

It seems to me desirable that you should draw the attention of the Japanese government to the increasing danger to British subjects in Manchuria resulting from the apparent inability of the authorities to suppress bandits, and to urge them to use their good offices with the Manchukuo authorities to secure adequate police protection.³

Please repeat to Peking.

¹ H.M. Ambassador at Tokyo.

² This telegram of October 13 to the Foreign Office repeated Harbin telegram No. 101 to Peking of October 12 reporting an attempt by bandits that morning to kidnap three British schoolchildren and the killing of Mrs. Woodruff, wife of an employee of the British-American Tobacco Company.

³ Sir F. Lindley said in his telegram No. 376 of October 17 to the Foreign Office that representations were made on October 14.

No. 2

Mr. Ingram (Nanking)¹ to Sir J. Simon (Received October 14, 10.30 a.m.)

No. 366 Tour. Telegraphic: by wireless [F 7440/7/10]

NANKING, *October 13, 1932*

My telegram No. 364.²

The Chinese reply that question is a purely domestic issue is not unexpected inasmuch as this is the attitude which they have adopted fairly consistently

¹ Mr. E. M. B. Ingram, Acting Chargé d'Affaires at Peking during the absence of H.M. Minister, Sir Miles Lampson, had left Peking on October 4 for discussions on Tibetan affairs with the Chinese National Government at Nanking (cf. Volume X, Nos. 720 and 727). Until his return on October 28 Mr. A. Holman, First Secretary in H.M. Legation, was in charge at Peking.

² No. 12 below.

over a number of years, see for instance Peking despatch No. 1550 1919,³ but I had hoped that the imminence of League of Nations session might induce a desire to conciliate us. I do not think the Chinese Government are likely to modify this attitude or that there is anything to be gained at the moment by pursuing matter of mediation any further. Our best course, I venture to submit, will be to wait and see whether in fact Chinese troops do make any further forward move and if they do so we should send in strong written protests.

In the meanwhile I propose, subject to your concurrence, to address a written communication to the Minister for Foreign Affairs,⁴ referring briefly to our conversations, taking note of his assurance that instructions had been sent to the Chinese Commander to refrain from further hostilities, expressing hope that those orders will be obeyed, reminding him of the nature of British interests in Thibet and informing him clearly that if Chinese should challenge et cetera (as in your telegram 221)⁵ His Majesty's Government would be bound to take a most serious view of the matter.

I think I have succeeded in impressing the Minister for Foreign Affairs that the situation is serious and that efforts will be made to prevent further advance of Chinese troops. I am only doubtful whether Nanking's orders will be obeyed on frontier.

Repeated to India, Peking and Chungking.

³ The reference appears to be to Peking despatch No. 550 of December 9, 1919; for which see Volume VI of the First Series, No. 607, note 2.

⁴ Dr. Lo Wen-kan.

⁵ Volume X of the Second Series, No. 720.

No. 3

Sir F. Lindley (Tokyo) to Sir J. Simon (Received November 7)

No. 548 [F 7841/1/10]

TOKYO, October 13, 1932

Sir,

With reference to my despatch No. 524¹ of September 30th last, I now have the honour to report that Mr. Yosuke Matsuoka has been formally appointed to attend the forthcoming meeting of the Assembly of the League of Nations at Geneva as one of Japan's representatives. An announcement to this effect appeared in the Official Gazette of October 12th, together with a further

¹ This despatch, not printed, transmitted translations of articles in *The Japan Advertiser* of September 29 and 30 by Mr. Yosuke Matsuoka, a member of the Japanese Chamber of Representatives, who had been personal representative of the Japanese Minister for Foreign Affairs (Mr. Yoshizawa) at Shanghai during the troubles there earlier in 1932 (cf. Volume IX, Nos. 430 and 439 and Volume X, Chapters I-III). Among other points, Mr. Matsuoka denied that Japanese policy aimed at a protectorate over Manchuria, admitted that the Chinese boycott was costing Japan a loss of 700 million yen in value of trade, but denied that the boycott could inflict permanent injury; and argued that great political changes are never brought about by the will of the majority of the people.

announcement by virtue of which Mr. Matsuoka will, while holding this appointment, be accorded the treatment of an official of 'shinnin' rank.²

2. The fact that Mr. Matsuoka had been definitely selected by the Government for this appointment has been public property for the past week, and some days ago a farewell dinner was tendered to him by some of his fellow members of the Seiyukai party. In the course of a speech made on this occasion Mr. Matsuoka is reported by the Press to have said that what encouraged him most in undertaking his important task was the fact that Japan had already recognised Manchukuo.³ This step had made it clear that she was firmly determined to 'fight it out' at the League of Nations meeting and, in the face of all difficulties, to attain her goal. He went on to stress the importance to Japan of the meeting at Geneva which, he said, would afford her an opportunity to 'settle accounts' as regards foreign affairs during the past sixty years. He did not expect to be able to match Chinese representatives in diplomatic technique; the diplomacy to be employed at Geneva must be one of sincerity and determination, and it was upon this that he would concentrate. It would be an occasion where the spirit of Japan would be wrestling with the spirit of the West, and he anticipated that the deliberations would leave a great impression on the future of mankind.

3. I may add that, according to the press, Mr. Matsuoka is expected to leave for Geneva about October 21st taking with him the text of the Japanese Government's observations upon the Report of the League Commission of Enquiry.⁴

I have, &c.,

F. O. LINDLEY

² i.e. the rank of an Imperial Prince (Shinno).

³ On September 15, 1932; see Volume X, No. 686.

⁴ The Report of the Commission of Enquiry into the Sino-Japanese dispute concerning Manchuria (the 'Lytton Report') had been signed at Peking by members of the Commission on September 4, 1932. In a letter of September 4, 1932, to the Secretary-General (see League of Nations Official Journal (*L.N.O.J.*), November 1932, p. 1860), the Japanese Government had requested the League of Nations Council to postpone discussion of the Report until their own observations on it were available. At their meeting on September 24, the Council had agreed to delay discussion until November 14 (see *ibid.*, p. 1735; cf. Volume X, enclosure in No. 713).

No. 4

Sir F. Lindley (Tokyo) to Sir J. Simon (Received November 8)

No. 550 [F 7868/1/10]

Confidential

TOKYO, October 13, 1932

Sir,

In my telegrams Nos. 371¹ and 372² of the 3rd instant and in my telegram No. 374³ of the 7th instant I reported very shortly on the reactions of the

¹ See Volume X, No. 726, note 1.

² *Ibid.*, No. 726.

³ *Ibid.*, No. 736.

Japanese press to the Lytton Report, which was published here on the 3rd instant, and my impression of the present state of public feeling and the probable course of Japanese policy in the near future. I propose to amplify these telegrams in the present despatch with such information as has come to my knowledge since they were written.

2. In the first place it should be mentioned that the Report of the League of Nations Commission to enquire into the Sino-Japanese dispute is known throughout the Far East as the 'Lytton Report'. In Japan this title does nothing to serve British interests and from this point of view may be considered unfortunate; but it is possible that in other parts of the Far East the opposite may be the case and that, should the Report end in a satisfactory settlement, both Lord Lytton and his countrymen will reap the advantage of the Report being known by his Lordship's name. That the Japanese press would condemn the Report unanimously was inevitable, unless the Commission refrained from recording the most self-evident facts connected with the occupation of Manchuria. It was therefore no surprise to anyone when the newspapers of Japan burst into an universal chorus of dissatisfaction when the long awaited report finally become known. I have the honour to enclose herewith a memorandum⁴ drawn up by Mr. Davies, who was Acting Japanese Counsellor before Mr. Cunningham's return on the 10th instant, reviewing the press and the statements of public men and bodies, as reported in the press, during the last fortnight. It will be seen that the two points in the Report which have especially rankled were, as was to be expected, that declaring that the Military measures taken by the Japanese in September, 1931, went beyond the legitimate needs of self-defence; and that denying the Manchukuo State to be a manifestation of the spontaneous wishes of the people of Manchuria. That the Commission should come to these conclusions was, for every unbiassed person, a foregone conclusion, as I have not failed to warn my Japanese friends for months past; but the inevitability of the conclusions in no way renders them more palatable to the Japanese public—possibly the reverse. More justifiable criticisms of the Report which have also found constant expression are that a far too favourable view is taken of the present conditions and the future prospects of China, and that the suggested future government of the Three Eastern Provinces would prove quite unworkable in practice. Whether this latter contention is true or not, it should be noted that no voice from any quarter has been raised in favour of recognising the sovereignty of China over those Provinces, and that all those who have expressed any opinion are unanimous in their determination to uphold the complete sovereignty and independence of Manchukuo and the Treaty which has been signed between that so-called State and Japan.⁵

3. Though it will be seen from the preceding paragraph that there is no prospect of any change of policy as regards Manchuria in the near future, it must not be supposed that a great deal of misgiving is not felt in the country regarding that policy. In the first place there is no doubt that those who direct Japanese policy and Japanese political thought, at any rate outside

⁴ Not printed.

⁵ See Volume X, No. 686.

the Army, look with apprehension at the possible results of a breach with the League. It is not so much that they fear economic sanctions or war as that they shrink from the stigma which the solemnly expressed disapprobation of the League would inflict on Japan and they are apprehensive of the ultimate material results which may well follow sooner or later from Japanese isolation. In these circumstances it is not surprising that unusual efforts are being made to prepare the Japanese case for Geneva and that nothing will be neglected which can present that case in a favourable light and enable Japan to escape an open breach with the Western world. In this connection I have the honour to refer to my despatches Nos. 437,⁶ 483⁶ and 524⁷ of the 16th August, 10th and 30th September, respectively, reporting the activities of Mr. Matsuoka, an extremely able and energetic free-lance who has recently been appointed as one of the Japanese delegates to the Assembly.

4. In spite of the opinion mentioned in the last paragraph, and although it appears probable that the verdict of the Lytton Report will, as the time goes on, exercise a growing influence on the more serious members of the community, it must not be supposed that the Army has yet lost its grip on the direction of Japanese policy. There is at present no sign of this and it can scarcely be doubted that, should a crisis arise in the near future, the bulk of the population would back up a military policy through thick and thin. How long this state of affairs will last it is impossible to say, but the deterioration in the internal condition of Manchuria and the falsification of the hopes of those who were sanguine enough to believe that the conquest of the Three Eastern Provinces would immediately alleviate distress in Japan, can scarcely fail to exercise their effect in due time.

5. The internal political situation enters so largely into the Manchurian problem that I have been at pains to attempt to ascertain what I can as regards the present feeling in the country. I am assured by all those Japanese in whom I have confidence, and I feel the same thing by instinct myself, that both in the Army and amongst the civil population there is far less excitement than there was a few months ago. In this connection I had a long conversation this morning with the veteran Count Makino⁸ who was good enough to give me one and a half hours of his time. He confirmed entirely the impression I have recorded above (and in my despatch No. 514⁹ confidential of the 27th ultimo) and added that steps had now actually been taken to disperse the hot-headed elements in the Army amongst a number of widely separated units. The Count added, somewhat to my surprise, that there had been a certain amount of unrest in the Navy but that this trouble had also been taken in hand, though I did not gather that it had been altogether suppressed.

6. During the discussion on the internal situation, I told Count Makino that this Embassy had been up to now inclined to take a relatively favourable view of the Japanese financial and economic position but that, as regards the first of these, we were getting a little anxious as to the future. There was

⁶ Not printed.

⁷ See No. 3, note 1.

⁸ Lord Keeper of the Privy Seal of Japan.

⁹ Not printed.

very heavy expenditure ahead and, though it was all very well to borrow for a year or two to meet current expenditure, this was a process which could not be continued for any length of time without leading to disaster. The Count replied that what I said was fully realised by the two principal men in the Cabinet, who were Mr. Takahashi, the Minister of Finance, and Mr. Yamamoto, Minister for Home Affairs, who at one time had been Director of the Bank of Japan. These two men, who had been political enemies all their lives, were now working harmoniously together. There had been a great deal of discussion as to whether the additional revenue required should be raised by taxation or whether recourse should be had to loans which would certainly involve a considerable amount of inflation. The Count himself had discussed the question with a number of bankers and prominent men of affairs, and the general feeling was that, at the present moment, it was impossible to do very much to fill the gap by extra taxes and that recourse would necessarily have to be had to loans. But, as he had said, the Japanese Government were fully alive to the danger of a policy of this kind which would certainly not be continued after the present budget year.

7. The subject then turned to the condition of agriculture which has been used by various politicians, especially those of the Seiyukai party, in order to agitate against the Government and increase their own popularity in the country districts. I told the Count that our opinion was to the effect that, whilst there was a great deal of destitution in the country districts, most of the outcry came from those who had little or nothing to do with agricultural pursuits. Count Makino replied that this was certainly the case and he added that he had only in the last few days received much more reassuring accounts from his friends in the country. One of the largest land-owners near Nagoya had called upon him yesterday and told him that, whereas last July he feared there would be extensive agrarian disorders in his district owing to the distress, the whole picture had now changed. The rice crop was abundant and there had been such a satisfactory rise in the prices of vegetables, poultry, eggs and pigs that the villagers were once more on their feet. As for himself, he was at last making a profit from the fellings in his forests. Count Makino said that this was not an isolated case and did not take account of the very sharp rise in the price of silk which had changed the whole outlook in the mulberry-growing districts. Moreover the practical steps taken by the Government to relieve the agriculturists had already had a beneficial moral effect. In short it was now possible to look forward to the winter with confidence as far as the country districts of Japan were concerned.

8. Returning to the political situation, I enquired after the health of Admiral Viscount Saito on which, it seemed to me, depended the duration of the present Coalition Cabinet. The Count said that he and the Admiral had the same doctor and that he had heard yesterday that the Prime Minister's health gave no cause for anxiety at the present moment. There was no reason to expect any change of Government in the near future. Of course the Prime Minister was being attacked for not taking sufficiently energetic measures to remedy the general depression, but it was a mistake to suppose

that he was lacking either in energy or in determination. The Count believed that his administration would gain in strength as time went on and it had, in any case, already justified itself by the measures which had been taken, as reported in my despatch No. 513⁹ of the 26th ultimo, to remove the principal administrative posts from the sphere of party politics. A real beginning had been made in this direction and the Admiral had every intention of extending the movement so as to include a number of lower appointments which had previously been filled in accordance with the results of a general election. I told the Count that this had always seemed to us the greatest blot on the Japanese administration and it was an improvement, the value of which could scarcely be exaggerated.

9. The activities of the Communists did not cause the Count any anxiety, since the Police now had all the threads of the movement in their hands as the result of the discoveries made in connection with the Bank robbery reported in my despatch No. 551⁹ of the 14th instant. Orders had been given by the Central Committee in Japan that money must somehow be collected and the Bank robbery was the result. Count Uchida, who dined at the Embassy last night, confirmed this view and added that there was no doubt that Comintern had many agents in Japan and was particularly active just now. The movement was a nuisance but not a danger; and the future of communism in Japan, as elsewhere, depended on the success or failure of the experiment in Russia. He did not believe that tolerable conditions of life could be established on Soviet principles as the world would gradually realise.

10. As regards the pacification of Manchuria, I expressed to Count Makino my regret that, so far from any improvement being noticeable, there was a marked deterioration all over the Three Eastern Provinces, and the Japanese forces seemed unable to cope with the widespread disorder. Count Makino admitted the truth of my description of the present state of affairs and said that his impression was that the Military authorities were loath to increase the Japanese forces in Manchuria and did not intend to utilise those forces except on the main lines of communication and in the principal towns. Other measures would have to be taken to deal with the unsatisfactory state of things which prevailed away from these centres. This view agrees with the reports we have had from His Majesty's Consular Officers in Manchuria, and it is likely that even the Military authorities find the effort to restore order by the despatch of troops from Japan too great an expense for the country to bear.

11. Finally we returned to the question of Geneva and the League of Nations. I told the Count that I had done my best ever since the question became acute to persuade the Japanese Government at any rate to recognise the sovereignty of China over the Three Eastern Provinces, and it was a great disappointment to me that I had completely failed. Personally I did not see how the League could fail to put on record its disapprobation of Japanese policy in Manchuria and I confessed that I did not like the idea that Japan should be held up to the opprobrium of the world. The Count replied that the question might have been settled by recognising the sovereignty of

China last year but that it was now too late to consider such a solution. Six years ago he had been very anxious over the trend of Sino-Japanese relations and he had feared that war might break out. In fact, in his opinion, such a war would have broken out had not the Nine Power Treaty¹⁰ and the League existed. Then had come the regime of Baron Shidehara¹¹ and he had hoped for a time that there might be an amicable settlement, but the Chinese had continued their efforts to undermine the Japanese position in Manchuria and an explosion of some sort was inevitable. It was now too late to go back or to consider a settlement except on the basis of the independence of Manchukuo. The Japanese Government were most anxious to avoid a breach with the League, and everything would be done at Geneva to present their case in the most favourable light and to be as conciliatory as the basic policy of Japan admitted. In discussing the League at some length, the Count went on to say that there would have to be a change to reduce the smaller Powers to a position of less influence than they have at present. In the long run the Great Powers, with their enormous populations, would not patiently bear the weight at present given to the opinions of countries whose populations were infinitely smaller and whose world-interests did not exist.

12. I fear that this discursive despatch will be of little assistance to His Majesty's Government during the forthcoming proceedings at Geneva. My own feeling is that a solution of the Far Eastern problem must be sought in the evolution of Japan herself. I do not believe that the foreign policy of any country can be successfully directed by a Military party. Failure is only a matter of time and with failure will come a revulsion of public opinion. The danger seems to be, here as in Russia, that when failure is seen to be imminent some desperate throw, which may seriously inconvenience the world, may be attempted.

I have, &c.,
F. O. LINDLEY

¹⁰ Signed in Washington on February 6, 1922: the text is printed as No. 11 in Cmd. 1627 of 1922, *Conference on Limitation of Armament, Washington, 1921-2* (*Treaties, Resolutions, etc.*); cf. No. 16 below, note 3.

¹¹ Baron Shidehara was Japanese Minister for Foreign Affairs, 1924-7 and 1929-31.

No. 5

Mr. Holman (Peking) to Sir J. Simon (Received December 6)

*No. 1320 [F 8453/1/10]*¹*

PEKING, *October 13, 1932*

His Majesty's Chargé d'Affaires, Peking, presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and transmits herewith copy of circular to consuls, No. 67, dated the 13th October, 1932,

¹ *Note.* Throughout this volume an asterisk after the file number denotes that the document has been printed from Confidential Print, this being the only text in which it has been preserved.

respecting the protection to be afforded to British companies in case of boycott.²

² Cf. Volume X, Nos. 345 and 579.

ENCLOSURE IN No. 5

Circular to Consuls, No. 67, of October 13, 1932

PEKING

Sir,

In connexion with the assistance recently given by His Majesty's consul-general at Shanghai³ to the China Printing and Finishing Company (Limited), a subsidiary of the Calico Printers' Association of England and a company which, though entirely British in composition, employs to some extent in its factory at Shanghai materials of non-British origin, a question arose as to the treatment to be afforded by His Majesty's consular officers to British industrial enterprises established in China, using raw or semi-manufactured materials of non-British origin, and also to British firms importing non-British goods for sale in China.

2. After consultation between the Foreign Office and the Board of Trade, it has now been decided that the principle hitherto laid down in such cases should continue to be followed, namely, that assistance can properly be given to any business which contains a substantial British interest, either on account of the British capital invested in the concern or because in some way it promotes trade between the British Empire and China, but that protection should be refused to companies which can only claim a technical British nationality under the Companies Law, but contain no genuine British interest.

3. In arriving at this conclusion, the Secretary of State for Foreign Affairs had had in view the fact that British business houses in China are entitled to look for more diplomatic protection owing to the peculiar conditions in this country and to the existence of extra-territoriality. While, therefore, diplomatic action could not be advised in favour of the admission of foreign goods in an ordinary country, he agrees that all *bona fide* British firms in China should receive diplomatic support subject to the proviso given in paragraph 2 above.

4. The action taken by Sir John Brenan in the case of the China Printing and Finishing Company (Limited) is therefore approved, in view of the British capital and the substantial British interest involved. In general, His Majesty's consular officers should, however, when they think such action appropriate, urge upon British firms which are obtaining diplomatic support, the desirability of using every endeavour to promote the export trade of the United Kingdom.

I am, &c.,

(In the absence of the Chargé d'Affaires),

A. HOLMAN

³ Sir J. Brenan.

No. 6

*Mr. Ingram (Nanking) to Sir J. Simon (Received October 14)*¹
No. 373 Tour. Telegraphic: by wireless [Confidential/Telegrams/53/270]

NANKING, October 14, 1932

India telegraph No. 2268² and your telegram No. 81 Tour.³

Without mentioning names (repetition of which I request as they are undecypherable) I drew Minister for Foreign Affairs' attention yesterday⁴ to Dalai Lama's complaint that these representatives were not being recognised.

Minister for Foreign Affairs again pleaded ignorance, but promised to bring the matter to the attention of Chiang Kai-shek⁵ (see my telegram No. 372).⁶ I drew moral that this was but another instance of unsatisfactory nature of existing Sino-Tibetan relations, and that this seemed golden opportunity for getting them put once and for all, through our help, on a basis which would offer some hope of permanency and stability.

(Repeated to India, Peking and Chungking.)

¹ The time of receipt is not recorded.

² This telegram of October 10 from the Government of India to the Secretary of State for India, repeated to Peking, is not printed.

³ This telegram of October 12, not printed, drew attention to the Tibetan complaint that certain persons had been accredited as representatives of the Tibetan Government to the Tibet-Mongolian Bureau in Nanking during the period (October 1928 to December 1931) when General Chiang Kai-shek had been President of the National Government at Nanking (cf. Volume IX, No. 89), but that the present Chinese Government had apparently appointed other Tibetan representatives whom the Tibetan Government did not recognize.

⁴ For a fuller account of this conversation between Mr. Ingram and Dr. Lo Wen-kan see No. 9 below, enclosure.

⁵ Chairman of the Military Committee and Commander-in-Chief of the national armed forces.

⁶ Of October 14, not printed.

No. 7

Mr. Bristow¹ (Newchwang) to Sir J. Simon (Received October 15, 9.30 a.m.)
No. 28. Telegraphic [F 7433/561/10]

NEWCHWANG, October 15, 1932, 11.28 a.m.

Addressed to His Majesty's Chargé d'Affaires Shanghai, Nanking, Peking No. 65, Foreign Office, Tokyo, Commander-in-Chief and Mukden.

Japanese intermediary got in touch with brigands yesterday and ransom of 20,000 dollars increasing to 35,000 dollars refused by brigands who according to statement were willing to surrender but demanded 135,000 dollars.²

¹ H.M. Consul at Newchwang.

² The ransom was for the release of Mrs. Pawley and Mr. Corkran, the two British subjects captured by bandits on September 7; cf. Volume X, Nos. 673 and 689. The news, which reached Reuter's in Peking on September 21, that the London *Daily Mail* had offered £10,000 sterling to be used 'as ransom or otherwise' (see the *Daily Mail*, September 21, 1932, p. 11) was believed to have greatly increased the bandits' appetite.

2. Mr. Clarke³ and Stables⁴ return today with Captain Kawahito⁵ to consult.
3. Bulletin.⁶ Japanese authorities are arranging for release of captives on basis of payment of ransom and there is now probably no danger to captives.⁷

³ Acting Vice-Consul at Mukden. Mr. Clarke had been sent to Newchwang on September 22 owing to Mr. Bristow's falling ill.

⁴ Captain Stables, Language Officer in H.M. Legation, Peking, had arrived in Newchwang on September 12.

⁵ Gendarmerie Captain Kawahito, the Japanese intermediary.

⁶ i.e. the official bulletin issued at H.M. Consulate for the information of press correspondents.

⁷ Mrs. Pawley and Mr. Corkran were subsequently released, and returned by special train to Newchwang on October 20 with a Japanese military escort who handed them over to Mr. Bristow; cf. *The Times*, October 21, p. 14.

No. 8

Sir F. Lindley (Tokyo) to Sir J. Simon (Received November 7)

No. 555 [F 7835/1/10]

TOKYO, October 15, 1932

Sir,

I have the honour to transmit to you herewith a copy of an interesting report¹ compiled by Colonel E. A. H. James, Military Attaché to this Embassy, regarding his recent visit to Manchuria.

2. It will be observed that Colonel James found that the activities of the insurgent troops and bandits in Manchuria were a much more serious menace to the new régime than he had previously imagined. The whole railway system, except for the South Manchuria Railway, is either wholly or partially paralysed, and the Japanese troops, who have hitherto attempted to do little more than keep open the main lines of communication and chief centres of population, apparently expect to require at least a year for the restoration of order.

I have, &c.,

(For the Ambassador),

W. R. CONNOR GREEN²

¹ Not printed.

² First Secretary in H.M. Embassy at Tokyo.

No. 9

Mr. Ingram (Nanking) to Sir J. Simon (Received December 5)

No. 149 T[our] S[eries] [F 8415/7/10]

NANKING, October 15, 1932

His Majesty's Chargé d'Affaires at Nanking presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and has the honour to transmit to him copy of a minute of interview at Nanking on the 13th October respecting Tibetan affairs.¹

¹ Telegraphic reports of this interview had been sent to the Foreign Office in Nanking telegrams Nos. 372 and 373 of October 14; cf. No. 6.

ENCLOSURE IN No. 9

Minute of Interview on October 13 respecting Tibetan Affairs

October 14, 1932

At an interview with the Minister for Foreign Affairs (Mr. Blackburn² being present) Mr. Ingram enquired what was the nature of the Mongolian-Tibetan Committee which was established in Nanking. Dr. Lo replied that he was very ignorant about Tibetan affairs but was going to Hankow the next day to see General Chiang Kai-shek. The latter had been handling Tibetan affairs, and after talking over the question with him Dr. Lo would be ready to discuss it with Mr. Ingram. Mr. Ingram said the reason for his enquiry was that the Dalai Lama had asked the Indian Government if representations could be made to the Chinese Government that the representatives nominated to this Committee by himself and who had been recognised by the Chinese Government until the end of last year as the representatives of Tibet should continue to be recognised as such by the present Government. According to the Dalai Lama, other Tibetan representatives had been selected by the Chinese Government, but they did not really represent the Tibetan Government. It would certainly facilitate a settlement of the Chinese-Tibetan difficulties if the Dalai Lama's own representatives were recognised.

Dr. Lo was not prepared to discuss the matter, but said he would mention it to General Chiang. Mr. Ingram drew the moral that this was but another instance of the unsatisfactory nature of the relations existing between China and Tibet and that this seemed to be a golden opportunity of getting them put once and for all, with our help, on a basis which would offer some hope of permanence and stability. Dr. Lo interposed that, to tell the truth, during the last eight months his head had been 'cracked' by all this Japanese trouble and he had not been able to turn his mind to other things. Mr. Ingram said that nevertheless he was afraid that Dr. Lo would have to give this matter his serious attention, for he must warn him that the situation contained the seeds of considerable future trouble if it was not handled carefully now. He wanted to leave Dr. Lo in no doubt as to the attitude of H.M. Government in the matter, so he would read him extracts from the instructions which he had received. Mr. Ingram then read Dr. Lo paragraph 2 of Foreign Office telegram No. 221,³ and paragraphs 2 and 3 of Foreign Office telegram No. 79 T.S.,⁴ which he had prepared beforehand in a suitably modified form for the purpose. Having listened to the extracts with attention Dr. Lo asked for a copy, which was handed to him. He made no comment, saying that he would be ready to discuss the matter on his return from Hankow. Mr. Ingram asked him particularly to put before General Chiang the proposals which he (Mr. Ingram) had made for an armistice, and he undertook to do so.

Dr. Lo's attitude throughout was friendly and receptive.

A. D. BLACKBURN

² Acting Chinese Secretary in H.M. Legation at Peking.

³ Volume X, No. 720.

⁴ *Ibid.*, No. 729.

No. 10

Letter from Sir M. Lampson¹ to Sir J. Pratt²

Extract

[F 7573/1/10]

KILLEARN HOUSE, DUMGOYNE, GLASGOW, 15th October, 1932

My dear Pratt,

My best thanks for the copy of the Lytton Report. Also for the copies of your and Orde's minutes³ thereon!

If I may say so, neither of the latter seem to me to get us much forarder: But then neither perhaps does the Report itself.

The latter—clearly a most masterly document—is an obvious attempt at a compromise, as no doubt it had to be.

But

(1) it doesn't get over the glaring and obvious infraction of the Covenant and Paris Pact⁴—it couldn't.

(2) In its desire to submit a *plausible* compromise, it ignores the *great* fundamental, namely that China will *never* agree to *regularise* the alienation of Manchuria. Compare her attitude over Shantung and the ex-German rights there. You may very rightly say that there is all the difference in the world between Shantung and Manchuria. And so there is—in our eyes at least. But you may take it as axiomatic that China will *never* agree to any arrangement which, in her opinion, perpetuates and regularises the detachment of Manchuria from China proper.

My own humble opinion is that China (looking at it from the purely Chinese point of view) is absolutely right. Time (and population) will be on her side: and she can afford to wait. Meantime *economics* will have their weight—as indeed the report itself brings out clearly. And thus we come back to the thesis which I have *always* maintained from the very start, namely that the key to Manchuria will very probably come from *within* Japan herself.

All of which is no doubt pure speculation: but so are many great subjects in this vale of tears.

.⁵
Yours sincerely,
MILES LAMPSON

¹ See No. 2, note 1.

² Sir J. T. Pratt, of the China Consular Service, had the rank of Acting Counsellor in the Foreign Office and was attached to the Far Eastern department.

³ See Volume X, No. 746 and notes 2, 3, and 5.

⁴ This international treaty for the renunciation of war as an instrument of national policy had been signed at Paris on August 27, 1928; for the text see *British and Foreign State Papers* (B.F.S.P.), vol. 128, pp. 447-9.

⁵ Punctuation as in the filed copy. Only this extract of Sir M. Lampson's letter has been preserved in Foreign Office archives.

No. 11

Sir F. Lindley (Tokyo) to Sir J. Simon (Received October 19, 9.30 a.m.)
No. 378 Telegraphic [F 7491/1/10]

Confidential

TOKYO, October 19, 1932, 1.12 p.m.

My despatch No. 501.¹

Soviet Ambassador informed one of my colleagues yesterday that Soviet government had no objection in principle to recognising Manchukuo but that question of frontier would have to be elucidated first.

Repeated to Peking.

¹ Volume X, No. 694.

No. 12

Mr. Ingram (Nanking) to Sir J. Simon (Received October 19, 5 p.m.)
No. 364 Tour. Telegraphic: by wireless [F 7513/7/10]

NANKING, October 19, 1932

My telegram No. 360¹ second paragraph.

Head of Department concerned at Waichiaopu² has just³ called to inform me on behalf of Minister for Foreign Affairs that much as he appreciates kind offer of His Majesty's Government to lend their kind offices in an endeavour to bring the two sides together, he regrets that he cannot avail himself of it as his Government regard the matter as a domestic issue. He states that Chinese Government were in constant direct communication with Dalai Lama.

I replied that I much regretted that Chinese Government were adopting this attitude and felt they were losing an excellent opportunity of coming to a permanent settlement. I felt bound further to refute his statement that matter was purely a domestic issue of China; Government of India also was interested in all that concerned Tibet and I repeated my warning that if Chinese forces continued to advance a serious situation would arise.⁴

My comments follow.⁵

Repeated to Peking.

¹ Volume X, No. 739: the reference should presumably have been to No. 740.

² i.e. Mr. Liu Shih-shan, Head of the European department of the Chinese Ministry of Foreign Affairs.

³ This interview took place on October 11, the day on which this telegram was drafted. A note on the file reads: 'This is the delayed tel. which took 9 days to reach us, and which has made it necessary to hold up action on subsequent papers.' Mr. Ingram had left Nanking on October 15 for a visit to Shanghai.

⁴ For a more detailed account of this conversation on October 11, see Volume X, No. 744.

⁵ A reference presumably to No. 2 in this volume.

In an undated minute on telegram No. 364 above Sir R. Vansittart (Permanent Under Secretary of State) wrote: 'Let me see this minuted. It is time China were shown up in the

press for practising one thing in Thibet and preaching another in Manchuria. R.V.' Minutes by members of the Far Eastern department subsequently suggested that it would be inexpedient to bring publicity to bear on China at this stage. Mr. Mounsey (an Assistant Under Secretary of State) wrote: 'I think our further attitude must depend on whether the Chinese seriously meet our request for the cessation of hostilities and show good will in reaching a settlement of these frontier troubles. We have still to hear what Chang-kai-shek [*sic*] will say. G.M. 21.10.32.' Sir R. Vansittart minuted: 'All right. R.V. Oct. 21'.

No. 13

Memorandum by Mr. Scott¹

[F 7628/1/10]

FOREIGN OFFICE, October 20, 1932

(1) There has been a recrudescence of the boycott against Japanese goods at Shanghai, dating from about the middle of August, which has been supported by the Greater Shanghai (Chinese) General Chamber of Commerce, trade guilds, etc. Our latest reports are in Peking telegram 614² of September 2nd (F 6476), with fuller details in Peking despatch 1138³ of September 2nd (F 7480). The Japanese Consul-General is now said to take a very serious view of the situation, but the Chinese authorities and the authorities of the International Settlement and the French Concession are co-operating to suppress illegal activities. Apart from the actions of certain youthful terrorists, who have thrown bombs into Chinese shops selling Japanese goods, and sent threatening letters to Chinese merchants, the movement appears to have been kept within legal bounds, and there are no pickets active, as before January 28th.⁴ According to the press, a warning was issued on September 1st by the Mayor of Greater Shanghai to those engaged in illegal anti-Japanese activities, and urging the Chinese public and press to discourage rumour-mongers and remain calm.

(2) There is undoubtedly tension existing between the two communities, and this is to a large extent due to the resumption of the boycott. The only untoward event, however, has been the Nanking road incident of September 2nd, involving Japanese marines and the police of the International Settlement, but this has since been satisfactorily settled by both sides tacitly agreeing to drop the case.⁵ According to the 'North China Herald', the Japanese Press Union did its best to aggravate the situation, but instructions were later given unofficially by the Hqrs of the Japanese Landing Forces to cease comments. In other ways, also, ill-feeling has been evident, e.g. in the Japanese opposition to the conclusion of the extra-Settlement Road

¹ This memorandum was prepared for use in answering a parliamentary question relating to the renewal of the boycott of Japanese goods at Shanghai; see 269 *H.C. Deb.* 5 s., col. 581 (October 24). Mr. A. L. Scott, one of H.M. Vice-Consuls in China, was attached temporarily to the Far Eastern department of the Foreign Office.

² Volume X, No. 641.

³ Not printed.

⁴ i.e. before Japanese military action at Shanghai; cf. Volume IX, Chapter III.

⁵ See Volume X, Nos. 667-8, 670-1, 683-4, 687.

agreement,⁶ but the Chinese now also show reluctance to sign, at any rate before publication.

A. L. SCOTT

⁶ See Volume X, e.g. Nos. 621-2, 646, 658, 660, 679, 707, enclosure.

No. 14

Mr. Ingram (Shanghai) to Sir J. Simon (Received October 21, 5 p.m.)

No. 381 Tour. Telegraphic: by wireless [Confidential/Telegram/53/270]

SHANGHAI, October 21, 1932

India telegram to Secretary of State for India, No. 2331.¹

As attack on Tibet referred to in India telegram No. 2324² preceded assurance given to me that cessation of hostilities had been ordered, it does not necessarily follow that Chinese Government is unable or unwilling to enforce that assurance, although former assumption is possibly correct.

I return³ 22nd October, when I will seek a further interview with Minister for Foreign Affairs and endeavour to clarify situation.

(Repeated to India. Copy to Chungking.)

¹ This telegram of October 19, not printed, referred to news of a recent Tibetan defeat and said that it appeared to show the Central Chinese Government to be either unwilling or unable to fulfil their promise to order the cessation of hostilities; cf. Volume X, No. 740.

² Not preserved in Foreign Office archives.

³ To Nanking; cf. No. 12, note 3.

No. 15

Mr. Ingram (Nanking) to Sir J. Simon (Received October 24, 5 p.m.)

No. 388 Tour. Telegraphic: by wireless [F 7603/27/10]

NANKING, October 24, 1932

Wang Ching-wei¹ left for Marseilles by s.s. 'Andre Lebon' on October 22nd. He will probably go to Germany for medical treatment but may consult doctors in England and France. He is supposed to be suffering from cirrhosis of the liver. Nearly all the members of Government went to Shanghai to see him off and a full Cabinet meeting was held the day before at which domestic and diplomatic questions were discussed. In fact every effort has been made to make his departure a demonstration of unity of the National Government. During Wang's absence abroad T. V. Soong² will act as Chairman of Executive Yuan.

2. In a joint telegram to party headquarters Wang Ching-wei and Chiang Kai-shek have recommended that third plenary session of Central Executive Committee be held at beginning of December.

¹ President of the Executive Yuan: his resignation on August 6 (cf. Volume X, No. 588) had not been accepted by the Government.

² Minister of Finance and Vice-President of the Executive Yuan.

3. Principal members of old Anfu clique,³ including Tuan Chi-jui, Wang Yi-tang and Wu Kuang-hsin, have gone to Peking for ostensible purpose of attending Panchan Lama prayer meeting. Sun Chuan-fang and C. T. Wang (who was Tuan Chi-jui's Minister for Foreign Affairs in his last administration)⁴ have also arrived. Simultaneous presence in Peking of this group is arousing comment but there is as yet no evidence that it has any political significance.

4. In Canton tendency to separate seems to be on the increase again as shown by establishment of a separate court of appeal and introduction of special telegraphic rates in face of remonstrances from Nanking. Much will depend on third plenary conference. A big effort is to be made to get Sun Fo⁵ and his clique to attend in order to maintain at least semblance of unity with Canton. Meanwhile Chen Chi-tang⁶ is said to be buying arms and biding his time.

5. In Shantung Han⁷ has practically made himself master of the whole province. Although Liu⁸ and his adherents still remain to be finally disposed of it seems probable that they will be compelled to leave the province.

6. In Szechuen there have been several conflicts between troops of the two Lius⁹ but situation is very obscure.

Repeated to Peking, Commander-in-Chief¹⁰ and Tokyo.

³ A clique of northern militarists, under Tuan Chi-jui, who had held power at Peking, 1918-20, supported by Japanese loans and influence; cf. First Series, Volume XIV, Nos. 3 and 66, note 4.

⁴ November 1924-April 1926.

⁵ Mr. Sun Fo had resigned as President of the Executive Yuan on January 25, 1932; cf. Volume X, No. 25, § 34.

⁶ A member of the National Military Council and director of peace preservation, Canton.

⁷ General Han Fu-chu.

⁸ General Liu Chen-nien.

⁹ Liu Wen-hui and his nephew, Liu Hsiang.

¹⁰ Admiral Sir Howard Kelly.

No. 16

Mr. Ingram (Nanking) to Sir J. Simon (Received October 24, 3.30 p.m.)

No. 389 Tour. Telegraphic: by wireless [F 7602/1/10]

NANKING, October 24, 1932

My telegram No. 388.¹

Before his departure Wang issued to the press a statement² regarding his attitude towards Lytton report. He said China was faced with alternative of either accepting report or resorting to war for recovery of Manchuria. China was too weak to go to war and must therefore accept the report and place its confidence in the League which he recognised was making an honest attempt to find a solution.

¹ No. 15.

² A copy of this statement, not printed, was sent to the Foreign Office as enclosure in Peking despatch No. 1349 of October 31; see No. 20 below.

2. I have derived the following impressions from recent conversations with Minister for Foreign Affairs, Minister of Finance and other prominent members of government and party.

(a). Generally speaking China thinks she could get more from a fresh Washington Conference³ if it could be staged than from anything the League can do. She has really abandoned hope for concrete results from the League.

(b). Nevertheless China is not anxious that League's machine should be seriously impaired as League can be useful to China in supplying disinterested advisers on technical matters.

(c). China regards Lytton report as suitable basis for discussing settlement with Japan provided all its recommendations are not taken too literally and China is allowed scope for bargaining.

(d). While therefore she would welcome direct negotiations with Japan she would be most reluctant to enter them alone owing to intense mistrust of Japan. She will require either that Japan be brought by League to accept in advance and in considerable detail fundamental principles for eventual settlement or that negotiations take place with neutral powers or League as observers.

3. It is my impression that while putting up strong case at Geneva, that unless . . .⁴ League takes effective action to settle dispute otherwise peace will be endangered, China's main efforts will be directed towards securing fresh Washington Conference.

Repeated to Peking and Commander-in-Chief, by post to Tokyo.

³ For correspondence relating to the Washington Conference on Pacific Affairs and the Limitation of Armament, November 1921–February 1922, see Volume XIV of the First Series, Chapter VI.

⁴ The text is here uncertain.

No. 17

Letter from Sir E. Drummond¹ to Sir J. Simon (Received October 29)²

[F 7681/1/10]

Personal

BERLIN, October 24, 1932

My dear Foreign Secretary,

I fear that with all the burdens which you have at present you will not have been able to devote much time to considering what should happen with regard to the Lytton Report and the Manchurian problem.

I spoke to Mussolini³ about it when I saw him, and found that he had studied the report carefully. He remarked that Manchuria was certainly Chinese, but that the League had a hard nut to crack, and left it at that.

¹ Sir E. Drummond, Secretary-General of the League of Nations, was visiting Germany and Italy to discuss various questions relating to the organization of the League Secretariat.

² Date of filing in the Foreign Office.

³ Head of the Italian Government.

I presume that the Council will receive long observations on the Report from the Japanese and Chinese Governments, and, unless there is some measure of acceptance by the Japanese of the Report, which seems unlikely, will hardly wish to do more than pass the Report and these observations on to the Committee of Nineteen⁴ and the Assembly, since it is these two bodies, and particularly the former, which will ultimately have to frame the policy to be adopted. Of course, if some reasonable measure of agreement on the Japanese part appears possible, the Council might endeavour to negotiate a settlement, but I put this on one side as highly improbable.

What, then, should the Committee of Nineteen propose to the Assembly, which will have to make a report under paragraphs 10 and 6 of Article 15 of the Covenant?

There seem to me to be two possible lines, of which the first is, perhaps, the easier.

(1). That the Assembly should adopt the Lytton Report as its own, declare against any recognition of the Manchukuo Government, and recommend that the Chinese and Japanese Representatives should negotiate on the lines indicated in the Report. The Assembly would then have exhausted its duties under Article 15; but it might, as an additional measure, formally send copies of the Report and its decisions thereon to the Powers signatory and adhering to the Nine Power Treaty,⁵ and to all the signatories of the Kellogg Pact,⁶ in order that any of them, should they wish to do so, might pursue the matter further. Certainly such action would be in accordance with the Covenant, and the League would, as far as it is concerned, be free of a most troublesome problem.

But the League would be open to strong criticism on the ground that it had failed to effect any settlement, and that it had handed over its task to other Powers. Unhappily, I feel that this criticism would not be unjustified, and would very much weaken the League's position generally.

I therefore turn to the second course.

(2). Is it not likely that every month that goes by will make the Japanese position in Manchuria more difficult, and will they not feel more and more the financial drain of the adventure?

Further, can the League really try to find a final solution without the help of the United States and of the Soviet Government, which, as the Report points out, has large financial and other interests in Manchuria? It does not seem feasible simply to invite these two Governments to come to the Assembly or to the Council because any such invitation would be strongly and probably effectively opposed by the Japanese. How would it be, therefore, for the Assembly to adopt the Lytton Report up to Chapter 8 inclusive, i.e., everything in the Report except proposals as to a settlement, making also the non-recognition declaration? Then, as regards Chapters 9, 10 and 11,⁷ the

⁴ i.e. the special committee of the League of Nations Assembly appointed on March 11, 1932; see Volume X, No. 67 and *L.N.O.J., Special Supplement (S.S.) No. 101*, pp. 87-89.

⁵ Cf. No. 4, note 10.

⁶ Signed at Paris on August 27, 1928; cf. No. 10, note 4.

⁷ A marginal note here reads: 'There is no chap. 11.'

Assembly would invite the Powers specially interested in the Far East, i.e., the Nine Powers and those adhering to that Treaty, plus the Soviets, to examine and pass on those chapters, and to transmit the results of such examination to the Assembly, so that the latter may formulate its final conclusions, taking account of all points of view. I think all this would be legally possible as part of the Assembly report under Article 15.

Such an arrangement would have certain clear advantages, such as bringing the United States and Russia into the open, forcing them to take their responsibilities, gaining time, and, lastly, leaving the League with the last word. We might have to have another Special Assembly in the summer of next year, but this is a difficulty which can easily be overcome.

Certainly, there is likely to be criticism of such a proposal on the ground that the League had shewn weakness, by delaying a final judgment, and that meanwhile Japan would strengthen her position in Manchuria.

Nevertheless, I personally believe for the reasons I have given that No. 2 is the better course.

I have not yet put these ideas before anyone else, and I should be very grateful if you could let me know some time how they strike you. I am sure that we shall be faced with considerable pressure from people like Madariaga⁸ in favour of some violent action. There is an article in the 'Journal de Genève', which is almost certainly written by him, suggesting that pressure should be put on Japan by the withdrawal of Ambassadors, and perhaps by expelling Japan from the League. Any such suggestions seem to me to be the negation of wisdom in present circumstances.

Please forgive me for writing such a long letter, but the Council will be meeting on the whole question during the next three weeks, and it is of great importance to decide on the line which we should try to follow.⁹

Yours very sincerely,
ERIC DRUMMOND

⁸ M. Salvador de Madariaga, Spanish Ambassador in Paris and representative on the Council of the League of Nations, was a member of the Spanish delegation to the Special Session of the League of Nations Assembly convened, at the request of the Chinese Government, on March 3, 1932.

⁹ A note by Sir J. Simon on this letter reads: 'I should like this fully minuted. The Far Eastern dept. and Mr. Cadogan [Adviser on League of Nations Affairs to the Foreign Office and Secretary-General of the U.K. delegation to the Special Session of the League of Nations Assembly] are both concerned. J. S. Oct. 28.'

Minutes were written by Sir J. Pratt, Mr. C. W. Orde (Head of the Far Eastern department), Mr. E. H. Carr (Assistant Adviser on League of Nations Affairs), Sir V. Wellesley (a Deputy Under Secretary of State), and Sir R. Vansittart.

Sir J. Pratt, writing on October 31, was in favour of beginning on the line suggested by Sir E. Drummond 'if only in the hope that in the course of discussion some better way of gaining time may emerge'. He suggested three possible difficulties, however, which might prevent the acceptance of Sir E. Drummond's second proposal. It would be difficult for the British delegate not to declare that the recognition of the new regime in Manchuria was impossible and that a return to the *status quo* was equally impossible; China would strenuously resist any playing for time; and it was most improbable that an appeal by the League to Soviet Russia would elicit anything conducive to a satisfactory settlement of the Manchurian problem.

Mr. Orde on November 1 agreed with these observations as to the difficulties of Sir E. Drummond's second alternative, although he also agreed that it should at least be discussed at Geneva. In addition he suggested that the Manchukuo Minister for Foreign Affairs should be sounded as to the possibility of a declaration accepting Chinese suzerainty or sovereignty, and if no success were secured with him, a test of Manchurian opinion should be aimed at, either by consulting delegations 'selected in a manner prescribed by' the Chinese and Japanese Governments, or by 'a sort of plebiscite commission'.

Mr. Carr on November 3 dissented from the view that discussion in the Council would be 'less embarrassing to the Great Powers than discussion by the Nineteen', and suggested that the three difficulties mentioned by Sir J. Pratt were not so serious as he supposed. He concluded: 'our aim should be: (1) *At the Council*, to refrain from all discussion and press for the immediate transmission of the Report to the Assembly. (2) *At the Assembly* (or the Committee of Nineteen), to propose the acceptance of Chapters 1-8 of the Report (facts), to refrain from any pronouncement on Chapters 9-10 (recommendations), and to propose reference of these two chapters to a commission or a conference (or whatever term may be most convenient) consisting of the Nine Powers plus the Soviet Government, with an invitation to submit observations or proposals on them to the Assembly.'

The two concluding minutes were as follows:

'We are all agreed on the following points:

'1. That Sir E. Drummond's second proposal should be taken as the basis for our proposals.

'2. That Russia should be added to the nine Powers.

'3. But Mr. Orde's proposal for a further enquiry into the state of feeling in Manchuria would be worth supporting if the Japanese can be induced to put it forward.

'The crux of the whole matter lies in the element of time. Anything in the nature of a peremptory demand on Japan to withdraw from her present position can only bring about an acute crisis instantaneously. In the present temper of the Japanese compliance with such a demand would be regarded as a national humiliation. But there is evidence to show that Japan is beginning to realise that she has bitten off more than she can digest and what is needed is more time for this feeling to mature—for ways and means to be found to enable her to climb down without loss of face. We have therefore got to build a bridge for her over which to retreat. It is true that such a process is really a matter more of years than of months but even months may make an appreciable difference. For this reason I should be disposed to accept Sir E. Drummond's proposal to accept the fact finding part of the Lytton Report viz. Chapters 1 to 8 but I would deprecate issuing at this stage a declaration as to non-recognition which would only precipitate a crisis. I would propose that any steps to be taken as a result of the recommendation in the Lytton Report should be referred to the Nine Power Commission. The issue of a Declaration is sooner or later inevitable and the end is obvious but any delay is worth playing for if thereby the Japanese can be got to retreat gracefully, subject to that modification I think Sir E. Drummond's 2nd proposal should be adopted. I do not wish to conceal the fact, that the Secretary of State may have great difficulty in maintaining the position against the pressure for immediate action which is likely to be brought to bear on him in certain quarters. At the same time I think it is worth while making an effort in that direction as the gaining of time is of the essence of the matter. V.W. 4/11/32.' 'I concur in Mr. Carr's minute, and would proceed as he proposes. Even if the Soviet Govt were to be troublesome, that should not deter us. Mr. Orde's proposal for a further investigation has both attraction and utility; but I do not consider it to be workable, and could not recommend that it sh^d. be worked for. R.V. Nov. 4.'

Sir E. Ovey¹ (Moscow) to Sir J. Simon (Received October 28)

No. 604 [F 7664/1/10]

MOSCOW, October 25, 1932

Sir,

I have the honour to report that the 'Izvestiya' on October 13th published a long article by Karl Radek² on the findings of the League of Nations Commission to the Far East. Apart from this one article, there has been an almost complete absence of comment in the 'Izvestiya', which can alone be regarded as the mouthpiece of the government, and I understand that Karl Radek is, on this occasion, expressing the official view. I enclose a translation of the last and most important section of his article.³

2. The policy of the Soviet Government in the present Far Eastern crisis is clear enough and has been consistently pursued since the crisis arose. They regard the Japanese as guilty of a flagrant act of imperialist aggression. They are not themselves prepared to take positive action against Japan's act of aggression, and are not likely to be drawn into hostilities with Japan unless Japanese aggression should culminate in a threat to Soviet territory itself. Nor are they prepared to make common cause, diplomatic or military, with other Powers in resistance to Japanese action, for the reason, among others, that it is a point of principle with them to conduct their foreign policy on a bilateral basis with each foreign Power singly and to avoid international collaboration in current political affairs. Meanwhile, they are content to wait, in the conviction that the Japanese will not in the long run gain anything by their forward policy and that the Chinese will in their own good time make the Japanese position in Manchuria untenable, even if the Japanese are not weakened by a crisis at home.

3. This is not what Radek says, but it underlies his rather mischievous analysis of the situation. The Lytton report, he says, has no chance whatever of being put into effect. The aggressive attitude of Japan in Manchuria is due to her realisation that she is no match for the other imperialist powers in the matter of 'peaceful' financial competition in China, and to her fear that revolution in China will find those Powers unprepared to cope with it and will endanger even the interests of Japan if she does not act in time in the area which specially concerns her. Why then did the Commission draft a programme in which they manifestly can have no real belief? The predominant factor in the Far Eastern situation is, he says, the pressure brought by the United States upon Great Britain and France, supported by concessions in Europe and on the questions of debts and disarmament, to wean them away from Japan. The State Department have been successful in this to the extent that the Lytton Report rejected the major Japanese claim that Manchuria was 'self-created', and will serve to mobilize world-opinion

¹ H.M. Ambassador at Moscow.

² A member of the editorial panel of *Izvestiya*.

³ Not printed.

against Japan. This will be its real and only function, for any settlement on the basis of its recommendations is impossible of achievement. Its compromise character is illustrated, for another thing, by the fact that it at one and the same time incites Japan against the U.S.S.R., and vainly tries to draw the U.S.S.R. into an anti-Japanese combination. Meanwhile, he concludes, the high priests of the League of Nations, who are trying to frighten Japanese imperialism with the revolutionary danger from the U.S.S.R., are themselves pinning their hopes on a revolution in Japan to rid them of the Manchurian problem.

4. It is possible, of course, to paint Soviet policy in less favourable colours. The Berlin 'Sotsialisticheski Vestnik', the organ of the émigré Social Democrats, has an article on the Far Eastern problem in its issue of October 15th. Alluding to Soviet criticism of the attitude of capitalist governments in regard to the Far Eastern crisis (an attitude which the paper would itself attack if the Soviet Union were not better game), this article asks in what respect the policy of the Soviet Government differs from that of its opponents, although it is of all governments the most interested in maintaining peace in Manchuria. How, it enquires, does the Soviet Government carry out that 'definite struggle against Japanese imperialism' which it is recommending elsewhere. Instances are then given of Soviet co-operation with the Japanese, of how the Soviet Government, in consenting to the substitution of Manchukuo for Chinese consuls in Eastern Siberia,⁴ was the first Government to give *de facto* recognition to the dismemberment of China by Japan. The Soviet Government was forced to buy peace at this price, but thereby lost all right to claim to lead the international working-class against Japanese imperialism or to accuse the rest of the world of affording support to that imperialism. The Soviet Government has even gone further, the article observes, for Soviet newspapers have recently reported the conclusion of a five years agreement to supply Japan with petrol,⁵ a commodity which under modern conditions is as much the sinews of war as poison gas. This, it continues, is in spite of the fact that foreign communist parties have been instructed to prevent the export to Japan of munitions from their own countries. The Soviet Government, it concludes, is actuated by the same imperialist interests as other countries and does not wish to resign them.

I have, &c.,

ESMOND OVEY

⁴ Cf. Volume X, No. 390.

⁵ In his despatch No. 544 of September 27 Mr. Strang, Counsellor in H.M. Embassy at Moscow, had reported that, according to announcements in the Soviet press, an agreement for the delivery of oil to Japan had been signed in Moscow on September 24 between Mr. K. Matsukata (a former president of the Kawasaki dockyard) and 'Soyuzneftexport' (the Soviet Oil Exporting Organisation). The agreement was stated to cover 'a considerable quantity' of oil and 'to extend over a period of five years as from 1933'. Cf. *The Times*, September 24 (p. 9).

No. 19

Mr. Holman (Peking) to Sir J. Simon (Received December 12)

No. 1369 [F 8586/65/10]

PEKING, October 25, 1932

Sir,

I have the honour, with reference to Mr. Ingram's despatch No. 1231¹ of September 22nd last, to transmit to you herewith copy of a despatch from His Majesty's Consul-General, Shanghai, giving an account of further developments in regard to the Japanese attitude towards the proposed agreement relative to the extra-Settlement areas in Shanghai. On instructions from Mr. Ingram I showed the despatch in question to the United States Minister and enquired of him his views. Mr. Johnson replied that his mind had been working along the same lines as Sir John Brennan's. With regard to paragraph 11 of the latter's despatch, he personally felt that, although his Government would probably not raise any objection to the terms of the proposed declaration in the modified form, any declaration referring to our defence forces would be inadvisable and might possibly create difficulties with the Chinese Authorities. Mr. Johnson considered that, whether there was any declaration or not, the Powers concerned would continue to employ their forces in such manner as they thought fit according to the particular situations which might arise.²

2. I now enclose herein copy of a despatch which³ Mr. Ingram, after receipt of the foregoing information, has addressed to Sir John Brennan on the subject for his guidance.

I have, &c.,

(In the absence of the Chargé d'Affaires),

A. HOLMAN

ENCLOSURE 1* IN No. 19

Sir J. Brennan to Mr. Ingram

No. 359

SHANGHAI, October 5, 1932

Sir,

My despatch No. 325⁴ of the 14th September foreshadowed a modification by the Japanese authorities of their opposition to the proposed agreement regarding the extra-Settlement areas in Shanghai. The newly appointed Japanese Minister, Mr. Ariyoshi, told me that he had reported to his Government in favour of the agreement, and Mr. Murai assured me, on the day of

¹ Volume X, No. 707.

² Cf. *Papers relating to the Foreign Relations of the United States (F.R.U.S.)* 1932, vol. iv, pp. 648-9.

³ Enclosure 2 below.

⁴ This despatch was enclosed in Mr. Ingram's despatch No. 1231 of September 22, see note 1 above.

his departure for Japan, that more favourable instructions had been received from Tokyo and would be imparted to me by Mr. Itaro Ishii, who had been appointed to succeed him as consul-general at Shanghai.

2. Since his arrival Mr. Ishii has been busy with official calls and other matters incidental to taking over a new post, but during the last few days I have had two conversations with him, in which he has explained the requirements of his Government in this matter. They may be divided into three categories.

3. Firstly, the Japanese Government still insist that the agreement must be referred for prior approval to the consular and diplomatic bodies, as they consider that it will affect the treaty rights of the Powers.

4. Secondly, they desire that Great Britain, the United States, France, Italy and Japan, being the Powers maintaining defence forces in Shanghai, shall make a declaration designed to counter any claim that the agreement implies a withdrawal of those forces from the extra-Settlement areas. On my asking Mr. Ishii to let me have his proposed wording for this declaration, he wrote me a letter, of which a copy is enclosed,⁵ suggesting that it should read as follows:—

‘The *modus vivendi* regarding the extra-Settlement roads will in no way affect the status, *i.e.*, stationing, patrolling, drilling, &c., of the defence forces of the respective Powers in the extra-Settlement roads.’

It is further suggested that this declaration should be made in the form of a note addressed to the Mayor of Greater Shanghai by the consuls-general concerned, as in the case of the unilateral declaration attached to the agreement relating to the Chinese courts in the International Settlement.⁶

5. And, thirdly, Mr. Ishii stated that his Government demanded certain amendments in the agreement, and he handed me a paper setting these out in detail. I enclose a copy of this document,⁷ and it will be seen that the amendments relate chiefly to the special police force, and are designed to ensure that it shall be largely under Japanese control. It is not only required that the foreign deputy-commissioner shall be of the nation having the largest number of residents on the outside roads, that is to say, Japanese, but the senior officer in the northern district and the second senior in the western district are also to be of that nationality. Moreover, it is stipulated generally that ‘the Municipality of Greater Shanghai has to appoint as many Japanese policemen as possible, and to let them take charge of police affairs, especially in the areas where Japanese subjects reside in large numbers, and where Japanese manufacturing factories are located.’ Japanese factories, it may be remarked, are to be found in the western as well as the northern areas.

⁵ Not printed.

⁶ The texts of this Agreement of February 17, 1930, and of the attached ‘Declaration’ to the Chinese Minister for Foreign Affairs by the British, Brazilian, French, Netherland, Norwegian, and U.S. Legations in China are printed in *B.F.S.P.*, vol. 132, pp. 395–401; cf. Volume VIII, e.g. No. 242.

⁷ Not printed: the suggested amendments are printed in *F.R.U.S.* 1932, vol. iv, pp. 647–8.

Other provisions intended to safeguard extra-territorial rights are also mentioned, but I will refer to them later.

6. In discussing these conditions with Mr. Ishii, I expressed the following views, making it clear, however, that they were my personal opinion and subject to any further instructions which I might receive from His Majesty's Government. Dealing, first, with the question of submitting the agreement for the approval of the consular and diplomatic bodies, I said that, in a matter of this sort, the council should, of course, ascertain that their proposed action did not meet with the disapproval of the Powers whose nationals were chiefly interested, and more especially of those Powers on whom the council relied for support in the event of a dispute with the Chinese authorities. In the present case, however, the council had already been careful to sound the views of the interested foreign representatives. So far as Japan was concerned, the Japanese consul-general had been kept fully informed of the negotiations through the Japanese councillors, and the objections of the Japanese Government had, in fact, resulted in the holding up of the agreement. There could, therefore, be no complaint that the Japanese authorities had been ignored in the matter. The draft agreement had also been circulated to the other treaty consuls, who had thus been given an opportunity to voice any objections they might have to the scheme, but, in point of fact, no one had raised any objections except the Japanese.

7. The demand of the Japanese Government that the council should consult the Powers before signing the agreement had thus been fulfilled in practice, and I maintained that, as soon as the Japanese could see their way to withdraw their objections, the council should be free to conclude the agreement without any further formality. I strongly deprecated the suggestion that the council must still submit the draft agreement formally to the senior consul and wait until he had communicated to them the formal and unanimous approval of all his colleagues. That would mean that any one of them, possibly one with no real interest in the matter at all, could hold up the agreement indefinitely for some entirely selfish motive unconnected with the merits of the case.

8. As an example of what I mean, I would mention here a conversation which I had on the subject with the French consul-general. M. Meyrier asked me to let him know in advance the exact area covered by the agreement, as he had reason to fear that if it interfered with a possible extension of the French Concession westward, his Government would not agree to it. He went on to say that the French had no present intention of asking for an extension or any expectation of obtaining it, but, nevertheless, it was a possibility which his Government had in mind. I told him that the area had not yet been defined, but in any case article 7 of the draft agreement made it clear that the *modus vivendi* was subject to any subsequent arrangement made between the Chinese Government and the foreign Powers, and could not, therefore, stand in the way of an extension of the French Concession if the French authorities were able to negotiate one. Nevertheless, M. Meyrier seems to think that the French Government, who are, of course, not con-

cerned with clashes between the municipal and Chinese police on the outside roads, are capable of holding up the agreement for the reason mentioned. I have no doubt that they are, if we were to admit that everything done by the Shanghai Municipal Council is subject to their formal consent. They have their own concession, with which they brook no interference, and hitherto they have avoided intervening in the affairs of the International Settlement, which is recognised for practical purposes as an Anglo-American-Japanese preserve.

9. Again, I have been told privately that some of the smaller consulates would like to have their premises on the outside roads exempted from the proposed municipal rate. They have not yet said so openly, but if they find that they have been given the power to hold up the negotiations, they might attempt to use it in order to secure privileges of this sort, which are in fact not enjoyed by the larger consulates situated within the settlement.

10. I did not, of course, mention these particular instances of possible obstruction to Mr. Ishii, but I said that as the procedure he advocated was not laid down in any treaty or other legal enactment, I thought it would be very unwise—both from the Japanese point of view as well as from ours—to tie our hands in dealing with Settlement affairs by creating any such hard-and-fast precedent now. I concluded this aspect of the matter by reminding him that my remarks were of a confidential nature for his information only. I was not prepared to discuss this delicate question at a consular body meeting. I hoped that it would be unnecessary to call one, but if he insisted on having a meeting, I should confine myself to saying that I approved of the agreement and considered that it would be proper for the council to sign it and forward it to the consular body for information only. I have since heard from the senior consul⁸ that the Japanese consul-general has withdrawn his request for a meeting, at all events for the time being.

11. As regards the unilateral declaration to be made by the Powers having defence forces in Shanghai, I merely said to Mr. Ishii that I should have to consult with you before expressing an opinion. My own view is that some declaration of the sort is desirable, in order to forestall the argument that the agreement implies withdrawal of the defence forces from the extra-Settlement areas. In this matter we are in the same position as the Japanese, a large portion of our troops being encamped beyond the Settlement boundary. If, however, the declaration is to have the desired effect, it must be communicated to the Chinese before the agreement is signed, and they must be induced to accept it tacitly as in the case of the court agreement. But in order to achieve this, I think that the Japanese formula will have to be modified to save Chinese susceptibilities, and I suggest that it would be sufficient to declare that the agreement does not affect the defence forces maintained by the respective Powers in Shanghai. The American Government might possibly be willing to subscribe to such a formula, as they, too, maintain a defence force in Shanghai, but the American troops are not permitted to go outside the Settlement and my American colleague tells me that his

⁸ Mr. E. S. Cunningham, U.S. Consul-General at Shanghai.

Government would certainly not participate in any declaration about patrolling the extra-Settlement roads. I shall be glad to have your instructions on this point in due course.

12. The real obstacle to a conclusion of the agreement lies, however, in the amendments regarding the special police and other matters which are demanded by Japan. I said, quite frankly, to Mr. Ishii that, speaking only for myself and without instructions, I felt sure that his proposals would be acceptable neither to the British nor to the Chinese. They amounted to Japanese control of the police force in all the extra-Settlement areas to the practical exclusion of everyone else. He based this demand on the fact that the Japanese had a larger number of residents, but I pointed out that from a property and investment point of view, the British still had a preponderating interest in Shanghai, and in the western district I had little doubt that even from a residential point of view our interests were much greater than those of Japan. I said, however, that I personally would be prepared to recommend a compromise by which the foreign element in the proposed special police force should be chiefly Japanese in the northern district, provided the western was left to us. But, of course, that was between ourselves—the Chinese consent had still to be obtained for any such arrangement, and I urged that the remaining Japanese demands were not likely to facilitate Chinese acquiescence.

13. To mention one example only, I said, the Japanese desired a clause in the agreement stating that any regulations or orders issued by the police administration regarding matters concerning foreigners enjoying extra-territorial rights, are not to become operative unless they are approved by the consular body and Diplomatic Corps. I said that this was taking us back twenty years, and at the present time it was not practical politics to expect the Chinese, in a written agreement, to admit that the foreign Powers had a right of veto in the administration of Chinese territory. If the Japanese really desired that an agreement on the subject of the extra-Settlement areas should be concluded, which I had been assured by the Japanese Minister was now the case, they must consider not only the conditions which they themselves would like to secure, but also what it would be possible for the mayor, in the present state of Chinese feeling, to concede. In my opinion, the demands now advanced by the Japanese excluded any possibility of an agreement being reached. Mr. Ishii, who is new to Shanghai, confined himself to saying that he would give my comments careful consideration and would like to discuss the matter with me again at a later date.

14. That is the position at the time of writing, and I do not feel that I can usefully approach the Chinese again until the Japanese show a genuine desire to assist the negotiations. Their present requirements would result in a large part of Greater Shanghai coming under Japanese control. They must know perfectly well that the Chinese will not accept such conditions, but they would, doubtless, like us to press the Chinese to do so on their behalf. It is not the first time that they have tried to use us as cat's-paws. On the other hand, if they fail, they are probably prepared to wreck the

agreement which they have never liked. However, as Mr. Ishii has said that he will discuss the matter again after further study, there is still hope of more favourable developments.

15. I would conclude by saying that I have kept in close touch with my American colleague, who agrees generally with the views expressed in this despatch.

I have, &c.,
J. F. BRENNAN

ENCLOSURE 2* IN NO. 19

Mr. Ingram to Sir J. Brennan
No. 29 T.S.

NANKING, October 13, 1932

Sir,

I am in receipt of your despatch No. 359⁹ of the 5th October, reporting your conversations with your Japanese colleague on the subject of the negotiations relating to the extra-Settlement areas.

2. I entirely approve of the action which you have taken and of the language which you have used to your Japanese colleague as reported in the despatch under reference. With regard to the specific point as to which you ask for instructions, namely, the attitude you should adopt towards the Japanese suggestion regarding a unilateral declaration to be made by the Powers having defence forces in Shanghai, I agree with you that it would be desirable that some such declaration should be made, and that it would be sufficient if it stated merely that the agreement did not affect the defence forces maintained by the respective Powers in Shanghai. It would seem preferable that any such declaration should be made by each of the interested Powers individually rather than by them jointly; such individual declarations would, moreover, have a better chance of being accepted by the Chinese. I should not, however, be prepared to allow the refusal of the Chinese to accept such a declaration to stand in the way of the conclusion of the agreement, for whether there was such a declaration or not, we should, of course, continue to employ our defence forces in such manner as we thought fit according to the particular situation which might arise. If matters develop favourably, a suitable opportunity will no doubt offer itself of making this point clear to the mayor verbally.

I am, &c.,
E. M. B. INGRAM

⁹ i.e. enclosure 1 above.

No. 20

Mr. Ingram (Nanking) to Sir J. Simon (Received October 26, 6 p.m.)

No. 394 Tour. Telegraphic: by wireless [F 7639/1/10]

NANKING, October 26, 1932

My telegram No. 389.¹

Minister for Foreign Affairs informs me Wang's statement on Lytton report now² made with official approval of Government and represents its considered policy.

2. I find on reading full text of statement that my former telegram which was based on a published summary is somewhat misleading since I cited as definite statements what is only hinted at in Wang's message. Important part of this message as reported in Kuomin news agency translation is as follows:- 'What our people should give their most serious consideration to now is how to answer question confronting us today: war or peace? If the former course is adopted we must recover by force what Japan has by force taken from us. This is to seek justice through force. If the alternative course is adopted the most important step would be to accept the sympathy which the League has shown towards us but to seek to rectify its weakness and enhance its power in order that we may yet achieve final triumph'.

3. Reuters report of statement substantially accurate. Repeated to Peking, Commander-in-Chief and Tokyo.

¹ No. 16.

² This should have read 'was'; cf. No. 30 below, paragraph 4.

No. 21

Mr. Ingram (Nanking) to Sir J. Simon (Received October 27, 6 p.m.)

No. 392 Tour. Telegraphic [F 7689/7/10]

NANKING, October 26, 1932¹

My telegram No. 372.²

I saw Minister for Foreign Affairs this morning.³ He said he had discussed Tibetan affairs very seriously with General Chiang Kai-shek and that latter had issued strict orders that there was to be no more fighting. He had every reason to believe they would be obeyed. Minister for Foreign Affairs refused however to discuss armistice question saying that it would be better not to mention that now but that fighting once stopped Chinese would try to secure a settlement of frontier problems so that there would be no further anxiety for the Indian Government. When I asked what steps it was proposed to take he said government would first get all people together to talk things over and they would send as soon as possible one of their most

¹ The time of despatch is not recorded.

² Cf. No. 9, note 1.

³ This interview took place on October 25.

influential members to the frontier to try to settle matters once and for all. He was determined to take matter up during his tenure of office as Minister for Foreign Affairs.

I reasserted our own interest in all that concerned Tibet and our desire to be of assistance. Minister for Foreign Affairs replied that he had been looking into past history of the matter and with regard to our contention that China had recognized our interests there was a good deal to be said on Chinese side but he was unwilling to discuss all that now. He wished to say however that any intervention on our part might have serious consequences. The matter was all the more delicate in that Japanese in their usual way were making capital of Weir's mission⁴ and our alleged design and Chinese press was beginning to grow suspicious. I said there was all the more reason to get loose ends of Tibetan situation tied up and position of all parties regularised and on a firm basis. Essence of our representations was not intervention but the desire to bring parties together and promote such a settlement; he replied he understood this himself but it was difficult to get Chinese people to see the matter in the same light. In conclusion he repeated his earnest intention to bring about a satisfactory settlement and asked me to explain (? to Indian government) difficulties with which Chinese government were faced.

In different words and more polite phraseology this is merely a reiteration of remarks to Mr. Holman—see sub-legation telegram No. 321⁵ and of Mr. Liu's to me,—see my 364 Tour,⁶—namely that Sino-Tibetan boundary question is a question of internal Chinese politics and I do not think we shall gain anything by pursuing matter any further for the moment. We have a definite assurance that hostilities are to cease and in my opinion we can only usefully exert diplomatic pressure here in the direction of having that assurance implemented. Minister for Foreign Affairs however indicated he would possibly be able to discuss matter further when I next visited Nanking in the middle of November.

With regard to Dalai Lama's representative[?]s at Nanking—see my telegram No. 372⁷—Minister for Foreign Affairs said that root of trouble was conflict between Dalai Lama and Panchen Lama. He would however try and arrange for the former's representatives to be accepted and received in Nanking.

Repeated to India, Peking and Chungking.

⁴ Colonel Weir, Political Officer in Sikkim, was in Lhasa at the invitation of the Tibetan Government; cf. Volume X, No. 613.

⁵ See *ibid.*, No. 648.

⁶ No. 12.

⁷ A marginal note queries whether this should not be '373': see No. 6.

Memorandum by Sir J. Pratt

[F 7669/1/10]

FOREIGN OFFICE, October 26, 1932

Lytton Report

In discussing the Lytton Report with Mr. Norman Davis¹ it seems advisable to stress the fact that we cannot make any public statement as to our views on, or our policy in relation to, the Lytton Report because in this matter it is essential that we should co-ordinate our action with that of the other members of the Council² and such co-ordination would become very difficult if each Government were to issue separate statements before the Report has been considered by the Council as such. We can, however, inform Mr. Davis in confidence of the line which we think it desirable that the League should follow. The Council should accept and endorse the Report and endeavour by all means in their power to induce the two parties to enter into negotiations on the basis of the Report. The Council should not, however, bind themselves in any way to a solution exactly on the lines of the recommendations made in the Report. It is recognized that those recommendations were the only ones that the Commission could make consistently with the facts they had found and the principles they had enunciated. Nevertheless, once the two parties have been brought together, the matter will very probably develop on quite unforeseen lines in the direction of some different solution to that contemplated in the Report. The Council should stand ready to welcome or promote any solution provided only that it does not conflict with the principles publicly enunciated in the various resolutions adopted by the Council and the Assembly. The Council should, however, as the Report itself does, look to the future rather than to the past; it should avoid adopting too rigid an attitude and once the two parties have been brought together it should pursue a purely opportunist policy.

The Minutes on F 6664³ are still very much to the point though in discussing the matter with Mr. Davis it would perhaps be better not to go beyond what is suggested in the above Minute.

The State Department have adopted much the same attitude of reticence towards the Report as we have—See F 7184/1/10.⁴ Mr. Stimson's views on the general question are set out in greater detail in F 6669⁵ from which it would

¹ Mr. Norman Davis, U.S. delegate to the Disarmament Conference, was in London from October 7 to 27.

² The preceding passage beginning 'should co-ordinate' was underlined in pencil on the filed copy, evidently by Sir J. Simon, with the marginal note 'J. S. answer'. Cf. No. 23, 1st paragraph.

³ i.e. Tokyo telegram No. 351 of September 12; see Volume X, No. 674.

⁴ i.e. Washington telegram No. 401 of October 4; see *ibid.*, No. 728.

⁵ i.e. Washington telegram No. 364 of September 8; see *ibid.*, No. 664.

appear that the line suggested above would be in harmony with the policy of the United States.⁶

J. T. PRATT

⁶ This memorandum was minuted as follows: 'I agree. C. W. Orde 26/10' 'I agree. G. M[ounsey] 28.10.32' 'Seen by the Sec. of State'.

No. 23

Minutes of a meeting on October 26, 1932¹

[F 7724/1/10]

The Secretary of State explained that a certain reticence was imposed on us by reason of our position as a member of the League of Nations. Our object was to try and get the course of action which we approved adopted by the League as a whole. The right course appeared to be that the League should accept the Report especially as regards its findings of facts. The Report contained proposals as to certain things which China and Japan should do but not as to what the League should do.

Lord Lytton said that he would like to clear up a misconception. Many people criticised the Report on the ground that it threw the whole dispute back to the parties. That was not so. The Report implied that the League should define the conditions under which the negotiations should take place. The League should either accept the 10 Principles enunciated on page 130 of the Report or lay down such other principles as might be applicable and then say to the Parties 'are you prepared to negotiate within the framework of these principles?'

Mr. Norman Davis said that the Report might be divided into three parts, namely, findings of facts, statements of principles and suggestions of the procedure to be followed in applying these principles. There might be some leeway as regards procedure but the League would have no option but to accept the facts and principles.

There was some discussion on the ten principles laid down in the Report and it was pointed out that Japan was unlikely to accept Principle No. 7 while China might object to Principle No. 4. There was also some discussion as to the procedure that would be followed at Geneva, namely, whether the Council would deal with the matter themselves or pass it straight on to the Committee of Nineteen. It was decided to write and consult Sir E. Drummond on this point. It was generally agreed that the Council was the better body to handle the matter.²

¹ The meeting was held in the Secretary of State's room at the House of Commons between 3.45 p.m. and 5.15 p.m. The following were present: Sir J. Simon, Mr. A. Eden (Parliamentary Under Secretary of State for Foreign Affairs), Mr. Orde, Sir J. Pratt; Mr. Norman Davis and Mr. R. Atherton (Chargé d'Affaires at U.S. Embassy in London); and Lord Lytton.

² There was some criticism of this view in subsequent discussions in the Foreign Office: cf. note 9 to No. 17.

Lord Lytton said that with regard to the best method of getting the Report accepted some thought that the right course was to make it easy for Japan while others said that Japan would never yield except to pressure. His own view was that the right course was to make it easy—go as far as it was possible to go in the way of conciliation and only consider what form of pressure was possible if conciliation failed.

The Secretary of State said that a strong argument in favour of the 'make it easy' policy was that time was on the side of rectification. The burden on Japan's finances and the weight of the solid block of Chinese sentiment still unreconciled would cause a change of mood in Japan.

Lord Lytton said it depended on the conditions under which time was to work. If all the States said to Japan 'we never can recognise what you have done in Manchuria' then he agreed that time could be left to do its work. The Chinese would be encouraged and would work up their boycott. Japan could not stand the double burden of the financial pressure of military occupation and the loss of trade. But he did not agree that time could work if the world were left in any doubt as to the rights and wrongs of the present régime.

Mr. Norman Davis thought that it would be best to find a way to let Japan cool down and feel the pressure of the public opinion of the world and of her position of diplomatic isolation. But it would be difficult to do that if time were running against you, namely, if Japan were all the time becoming more and more entrenched in Manchuria. The Powers, as members of the League, had to decide what were the obligations of the League, but there was something else, namely, the Nine Power Treaty and the question of what would be the practical thing to do assuming that there were no League of Nations and that one did not have to worry about the obligations and the prestige of the League.

Lord Lytton said that any signatory of the Nine Power Treaty could call the other Signatories to a discussion. He had told the Japanese that even supposing the independence of Manchuria had arisen spontaneously they still had no right to accord recognition unilaterally without calling the other Powers into discussion.

The Secretary of State asked whether *Mr. Norman Davis* suggested a Conference.

Mr. Norman Davis said no, he had nothing to propose. What he had been trying to express was that in a way the League was a complication because it was necessary to consider what the League was obliged to do. Was it possible for the League to allow time for the cooling off process?

Lord Lytton thought not. Many delegations would propose definite action. There would be discussions about sanctions under Article 16.³ When that point was reached an attempt should be made to secure unanimity as to how far the League was prepared to go. If some Powers were not prepared to do anything at all others would want to move drastic resolutions and this lack of unanimity would render the League powerless and would be

³ Of the Covenant of the League of Nations.

very bad. The question was how far was it possible for the Powers to go unanimously in the way of protest.

Mr. Norman Davis said that even the pacifists had backed away to a considerable extent from sanctions under Article 16. They were now saying two⁴ things:—

(1) If Japan refused to enter into direct negotiations the Powers should expel Japan from the League or⁵ withdraw Ambassadors. . . .⁶

Lord Lytton, interposing, said that if it was possible to secure unanimity for that time could be left to do its work but if the Powers were not prepared to go as far as that he could see only deadlock.

Mr. Norman Davis thought it would be a mistake to expel Japan from the League.

Lord Lytton asked what other proposal could *Mr. Davis* make that would satisfy the people who wanted to go a great deal further.

Mr. Norman Davis, after a pause, said he did not know. In a matter of League procedure the United States had no right to interfere. They were ready to co-operate with the League and if the League decided on action they would let the League know if they could join.

Lord Lytton said it would greatly influence the action of the League if it were known that the United States did not approve of expelling Japan from the League.

Mr. Norman Davis said that that was just his own personal view.

Lord Lytton said that Japan might leave the League. If the League accepted the Report and declared that Japan had violated the Covenant and the Pact Japan might leave.

Mr. Norman Davis did not agree. Japan had now got beyond that phase. She realised that if she left the League there would still be the Nine Power Treaty and world opinion.

Lord Lytton asked whether action under the Nine Power Treaty was contemplated.

Mr. Norman Davis said the United States had not thought out any plan of action under the Nine Power Treaty. They wanted the League to handle the matter. They did not want the Nine Powers to handle it.⁷ It would be bad taste on the part of the United States, not being members of the League, to say whether any State should be expelled from the League, but he did not think it would be good policy to expel Japan. The proper course was to

⁴ Marginal notes by Sir J. Simon and Mr. Orde here read: 'did he ever get to point (2)?' 'I think withdrawal of Amb^{rs} was point 2, but it wasn't clear. C.W.O.'

⁵ At this point Mr. Orde inserted '(2)?'.

⁶ Punctuation as in the original.

⁷ In a letter to Mr. Orde of November 30 Mr. Atherton said that in the three preceding sentences the intent of Mr. Davis's words had been misconstrued. He accordingly asked for the following to be substituted: 'It seemed to Mr. Davis, since the League is now handling the matter, it should continue to do so, and that the United States would not in any way want to interfere with the League's handling of the matter. Mr. Davis said that in so far as he knew the United States Government had no thought now of taking action under the Nine Power Treaty.'

keep Japan in the League and work for a constructive settlement but was it possible for League procedure to allow time for a cooling off process?

Lord Lytton thought that it was not possible in the case of a Covenant breaker.

The Secretary of State said he believed the Report was in some respects⁸ strongly critical of China. Were the recommendations all corrective of Japan or were there also recommendations for China to carry out?

Lord Lytton said there were, but he assumed the Chinese Government would not make any difficulty about that.

The Secretary of State asked what was it that the Council should recommend China to do.

Lord Lytton said there were certain recommendations the Chinese might not like such as the grant of an amnesty, the autonomy of Manchuria and foreign control of the police.

The Secretary of State referred to the last of the ten principles set out on pages 130 and 131 of the Report where it was laid down that the other Nine principles were all conditional on the establishment of a strong central Government in China. Might not Japan lay hold of that?

Lord Lytton said he would like to explain the genesis of that passage in the Report. He had from the beginning taken the line that their recommendations should be of such a nature that both Japan and China would feel glad that the League had taken up the dispute. He hoped that both sides in after years would be able to look back to the Report and say that from that day began the happy improvement in their relations. He therefore felt that the Report could not confine itself strictly to Manchuria for as regards Manchuria China was not going to get much out of it. She might, however, get something out of it as regards conditions in China itself. He felt that the Report ought to try and help China in her domestic problem. That would be the greatest service the Powers could render her. He had drafted several paragraphs on these lines which his colleagues had rejected for one reason or another but eventually they agreed upon the paragraph to which the Secretary of State had drawn attention.

The Secretary of State remarked that this had brought them back to the Nine Power Treaty again.

Mr. Norman Davis said that the League made no distinction between strong or weak governments and it was because China was in a state of chaos that the Nine Power Treaty had been negotiated. The Chinese Minister in London had told him that China felt the need of the assistance proposed in the Report and welcomed the suggestion.

The Meeting then ended.⁹

⁸ These three words were added on the filed copy: they are not in the copy of these minutes printed in *F.R.U.S. 1932* (see note 9 below).

⁹ A copy of these minutes was sent to Mr. Atherton: they are printed in *F.R.U.S. 1932*, vol. iv, pp. 326-30; see also pp. 330-3 for a memorandum of the meeting drafted by the U.S. Embassy in London.

Sir F. Lindley (Tokyo) to Sir J. Simon (Received November 29)

No. 569 [F 8304/1/10]

TOKYO, October 27, 1932

Sir,

In continuation of my despatch No. 548¹ of October 13th, I have the honour to report that Mr. Yosuke Matsuoka left Tokyo on October 21st for Geneva in order to attend the forthcoming meeting of the Assembly of the League of Nations. Contrary, however, to expectation it was announced, prior to his departure, that the text of the Japanese Government's observations in regard to the Report of the League Commission of Enquiry was not complete and that it was understood that the document in question would be taken to Geneva by Mr. Isaburo Yoshida, Japanese Ambassador to Turkey. The latter is also to attend the meetings of the Assembly, since he was attached as Japanese Assessor to the Commission during its stay in the Far East.

2. At the time of his departure Mr. Matsuoka was given a most enthusiastic send-off at the station and it is obvious that a great deal is expected from his presence at Geneva. Subsequent to the date of my last despatch dealing with his appointment¹ he made several further speeches on the subject of his 'mission', and I have the honour to transmit herewith for your information a résumé,² taken from the 'Japan Times' of October 16th, of the most important of these addresses. This was delivered on October 15th at a public meeting held under the auspices of the Tokyo Municipality in the Hibiya Public Hall. The newspaper account is rather long, but I venture to think it may be of interest as an indication of the line of argument Mr. Matsuoka is likely to adopt at Geneva. He is well informed as to conditions in Manchuria and will no doubt be prepared fully to back up his general statements with facts.

3. According to the press Mr. Matsuoka has been given a wide discretion in regard to the handling of Japan's case before the League Assembly. It is reported that prior to his departure certain instructions, approved by the Cabinet, were handed to him. There have been many conflicting accounts in regard to the nature of these instructions and it is not possible to say exactly of what they consist. But it seems certain that the following points are covered:—

- (1) That so far as Japan is concerned she regards the dispute between herself and China arising out of the Manchurian incident as settled as the result of the establishment of Manchukuo as an independent state and of the protocol³ concluded between the two countries;
- (2) That Japan insists that pending questions as regards China (apart from Manchuria) must be settled by direct negotiation between China and Japan.

¹ No. 3.

² Not printed.

³ Of September 15, 1932; cf. Volume X, Nos. 686 and 688.

- (3) That Japan is prepared to give friendly consideration to the question of international co-operation in regard to reorganisation of the internal affairs of China; and
- (4) That Japan's advice to the League is that it should for a time watch developments in Manchukuo.

4. It is understood that since Mr. Matsuoka's departure the text of the Japanese Government's observations has been completed and the document is expected to be ready by the 28th instant when Mr. Yoshida is to leave for Geneva. The press some time ago stated that a summary of this document would probably be published between the date of its despatch and the League meeting; but this now seems to be uncertain. The full text is not likely to be known until the document is deposited with the League.⁴

5. I may add that there seems to be a desire in some quarters that Mr. Matsuoka should also represent his country at the sittings of the League Council, and there has been some mention of the possibility of his taking the place of Mr. Nagaoka as Japanese representative.

I have, &c.,
F. O. LINDLEY

⁴ See No. 49 below, note 3.

No. 25

Letter from Mr. Orde to Sir E. Drummond (Geneva)

[F 7646/1/10]

FOREIGN OFFICE, *October 27, 1932*

Dear Drummond,

The Secretary of State has asked me to enquire whether you can say, or ascertain, when the Japanese observations on the Lytton report will reach Geneva. Presumably the Japanese will not be in a position to discuss the report before they present their written observations, and Sir John is concerned at the possibility of members of the Council being kept waiting at Geneva wasting their time owing to the Japanese observations not being ready.

I see in the 'Times' today that Yoshida is leaving Japan tomorrow with the document, final amendments to which will be telegraphed. I suppose he can hardly reach Geneva by the 14th.

Another point on which the Secretary of State would like if possible to be enlightened is what it is expected that the Council will do. Will they draw up a report themselves, or will they forward the Lytton report to the Committee of Nineteen without themselves 'reporting' on the dispute in the sense required by the Covenant.

I should be very grateful if you could let me know the position in regard to these points for Sir John's information.

Yours sincerely
C. W. ORDE

*Letter from Sir E. Drummond (Geneva) to Mr. Cadogan
(Received November 1)¹*

[F 7733/1/10]

Confidential

LEAGUE OF NATIONS, GENEVA, October 27, 1932

My dear Alec,

I sent the Foreign Secretary from Berlin a letter² about the Manchurian business, of which I enclose a copy. When I got back here yesterday I found a note written by Frank Walters³ on possible policy. His ideas seem to me to be extremely sound, and I should be grateful, if you find an opportunity, if you would submit them to the Foreign Secretary.

At first sight his proposals would not appear to conflict with the suggestions made in my letter, if the second course indicated therein were adopted, but I am not quite sure that this is so, since (a) it would prove very difficult to associate the Soviet Government with reconstruction work done by the League and other Powers in China; (b) if the impression of growing discord in China, which one gets from the Press, is true, it would be important that any action directed to strengthening the hands of the Central Government should be undertaken as soon as possible.

If necessary, however, it might be possible, while maintaining the procedure suggested in my letter, to seek separately the advice of the Powers concerned in the Nine-Power Treaty and the Soviet Government. We might ask the latter formally for their views on the last three⁴ chapters of the Lytton Report, and also ask the Nine Powers to come together to advise thereon. From the latter might emerge the plan of strengthening the Central Chinese Government, particularly because if such a policy were adopted it would require the closest co-operation of the United States. However, these are only somewhat preliminary thoughts on my side, and the important thing seems to me that the suggestions made by Walters should be considered in London.⁵

Yours ever,

ERIC DRUMMOND

¹ Date of filing in the Foreign Office.

² See No. 17.

³ Chief of the Secretary-General's Section and Office of the League of Nations. Cf. note 5 below.

⁴ A marginal note by Mr. Orde reads: 'two (he wrote before of a non-existent Chap. XI). C.W.O.'

⁵ In the course of a lengthy memorandum dated October 26 (copy enclosed in Sir E. Drummond's letter), Mr. F. P. Walters called attention to point 10 of the Lytton Commission's 'general principles' to the effect that the conditions of settlement enumerated could not be fulfilled without a strong Central Government in China. He advocated 'a really serious effort' by members of the League of Nations to bring such a government into being, with financial help on a large scale to the present national government.

In a minute of November 4 Sir J. Pratt said that this course 'would be to repeat the same fatal error that the Powers made in 1913 when they decided that Yuan Shih Kai was the

one hope of a strong central government and lent him 25 millions sterling'. He thought that proposals for further technical assistance to China need not be discouraged, but the League experts sent to China should steer absolutely clear of politics, and the expenditure on assistance should be carefully scrutinized. Mr. Orde also in a minute of November 4 rejected the proposal as likely to 'land the League in a hopeless morass'. Sir V. Wellesley wrote: 'I entirely agree. The idea that the League can set up and run China is quite fantastic and betrays a complete ignorance of the realities of the situation. It is not a new idea. It has been put forward and examined frequently during the last 8 years or so and all proposals of this nature have invariably been turned down as wholly impracticable. V. W. 5/11/32.' These minutes were initialed by Sir J. Simon on November 13.

No. 27

Sir F. Lindley (Tokyo) to Sir J. Simon (Received October 28, 9.30 a.m.)
No. 384 Telegraphic [F 7658/1/10]

Confidential

TOKYO, October 28, 1932, 10.30 p.m.

Vice Minister for Foreign Affairs¹ informed me yesterday that Japanese Ambassador in London² had had conversation in London on October 18th with Mr. Norman Davis during which former had stated that if League Assembly passed resolution condemning Japan and adopting Lytton Report dangerous and complicated situation would arise. Mr. Davis was reported to have agreed and to have favoured the League taking up a waiting attitude.³

I pressed Vice Minister to define Ambassador's expression and he did so by saying public opinion in Japan would be so incensed that Japanese government would be forced to leave the League.

In fact military party and not public opinion would no doubt force the hands of the government.⁴

¹ Mr. H. Arita.

² Mr. T. Matsudaira.

³ A marginal note by Mr. Craigie, Head of the American department of the Foreign Office, here read: 'Mr. Davis also said this to me, but he did not pretend to be expressing the views of his Govt. R.L.C. 28/10.'

⁴ In his despatch No. 573 of the same date to the Foreign Office (received November 29, not printed) Sir F. Lindley gave a slightly expanded account of this conversation and referred to 'several signs which have lately become apparent that the Japanese Government attach the greatest importance to avoiding a break with the League of Nations'.

No. 28

Letter from Mr. Walters (Geneva) to Mr. Orde (Received October 31)
[F 7693/1/10]

LEAGUE OF NATIONS, GENEVA, October 29, 1932

Dear Orde,

Drummond has asked me to write in reply to your note No. F 7646/1/10 of October 27th.¹

¹ No. 25.

The position as regards the Council meeting on Manchuria is, we are told by the Japanese, as follows:—

Matsuoka is reaching Paris on the 9th or 10th with what are practically full instructions. The documents and instructions which Yoshida is bringing apparently do not differ much from what Matsuoka already has. The Japanese observations on the Lytton Report are very long and detailed, but the Japanese in Paris are hoping that the statement to be made to the Council will be of a general character, and the detailed observations be presented only in writing. If this procedure is followed what seems likely to happen is that when the Council meets the Japanese Representative will present his general statement of Japanese policy and views, and presumably the Chinese Representative will do the same; and that the Council would then allow each side a day or two to prepare their answer. The Council would then probably not need to go into the detailed written observations submitted by Japan.

As to Council action, Drummond's letter of October 24th² to the Secretary of State, which must have crossed yours, answers your question in part. In any case, the report on the dispute in the sense required by the Covenant must be drawn up by the Assembly and not by the Council.

Finally, as to the date of the Council, Yoshida is not expected to reach Paris (or Geneva, as the case may be), until the 15th or 16th, and the Japanese there are very anxious to have time for a discussion with him and Matsuoka before the Council meets. The final drafting of their general statement to the Council would then be made, and they are therefore evidently most anxious that the Council should not meet until November 21st, although they have not yet officially asked for this and perhaps may not do so for some days, since they tell us that the answer to all their telegrams to Tokyo is to wait till they see Matsuoka.

There are some other questions of some importance on the agenda, which would most naturally be taken during the day or two of interval which probably must take place after the first statements of both sides have been heard. If for any reason not connected with the Manchurian question (e.g. to have an opportunity for unofficial conversations with the German Foreign Minister)³ it were desired to hold the Council meeting a little earlier than November 21st, we could put these questions on an agenda for Friday or Saturday, the 18th or 19th.

Yours sincerely,
FRANK WALTERS

² No. 17.

³ Cf. Volume IV, Chapter IV.

No. 29

Mr. Ingram (Peking) to Sir J. Simon (Received October 31, 3.25 p.m.)
No. 806 Telegraphic: by wireless [F 7717/1108/10]

PEKING, October 31, 1932

Your despatch No. 462.¹

Claims are now ready for presentation except that six persons who sent in preliminary claims early in the year have failed despite repeated requests to forward their completed claims. Of seventy such claims four are against the Chinese only, 50 against the Japanese only and 16 against both.

The following four cases are disputable and I request your instructions regarding presentation. They are all against the Japanese only. (1) Wing On Company Limited claim for 280,000 dollars Hongkong Company. Directors and shareholders are all Chinese or Anglo-Chinese. (2) Midland Investment Company Limited claim for 750,000 dollars, China Company. There are 1,000 shares all except two being held by Chinese. (3) Denis Land Investment Company Limited claim for 180,000 dollars China Company. There are 3559 shares all except 16 being held by Chinese. (4) West End Estates Limited claim for 9,000 dollars China Company. 991,450 shares issued of which large majority are owned by Chinese.

On receipt of your reply I propose to send Japanese section of claims to Tokyo and arrange with His Majesty's Ambassador for presentation there and in Nanking on the same day.

Copy to Tokyo, Nanking, Shanghai.

¹ Of May 23, not printed. This despatch, relating to claims arising from loss or damage as a result of the recent Sino-Japanese dispute, gave further details of the position summarized in Foreign Office telegram No. 94 to Peking of May 21; see Volume X, No. 364.

No. 30

Mr. Ingram (Peking) to Sir J. Simon (Received December 20)
No. 1349 [F 8728/1/10]

PEKING, October 31, 1932

Sir,

I have the honour to transmit to you herewith copy of a despatch¹ from His Majesty's Consul-General, Shanghai, enclosing a memorandum² describing the local Chinese reactions to the Report of the League of Nations Commission of Enquiry into the Sino-Japanese dispute.

2. The reactions of the Chinese press in Shanghai, outlined in Mr. Kitson's³ memorandum, generally speaking represent the feelings aroused by the report in the press in other parts of China. As was to be expected, the publication of the summary of the Report was the signal for a stream of comment

¹ i.e. Sir J. Brennan's despatch No. 368 of October 13 to Peking, not printed.

² Not printed.

³ H.M. Vice-Consul at Shanghai.

of the most various kinds. Criticism which was at first of a general nature was on the whole favourable, but later, as a result of a more careful scrutiny of the implications of the Report the tone of the press became distinctly more unaccommodating. In Nanking, for instance, as indeed elsewhere, the Chinese newspapers took particular exception to the reference in the Report to the existence of anti-foreignism in China and to the alleged responsibility of the Chinese Government for the boycott movement. The proposed basis of settlement was deemed unworkable and unacceptable to public opinion in this country on the grounds that the degree of autonomy proposed would be tantamount to the complete severance of Manchuria from China. In the Peking and Tientsin press satisfaction was expressed with the findings of the Commission both as regards the origin of the Mukden incident as well as the manner of establishment of the independence movement in Manchuria. On the other hand the conclusion of the Commission that a restoration of the *status quo ante* would be undesirable and that the previous administration should be replaced by a special régime in the Three Eastern Provinces met with but scant sympathy. Regret was also expressed in many quarters that the Commission failed to determine and fix responsibility for the outbreak of hostilities in September last year. The proposed Advisory Conference was generally looked upon as a form of international control which would be hardly consistent with the principle of Chinese sovereignty over Manchuria. It was similarly felt that there would be no guarantee that the employment of Japanese advisers by the Manchukuo Government would not lead to further incidents of insubordination similar to that which occurred in the Dairen Customs.⁴ The general impression was that the recommendations of the Commission, however fairly and impartially they might have been evolved, could not lead to a permanent solution of the Far Eastern conflict or prevent invasion of China by Japan at some later date.

3. At first sight the unresponsive attitude taken up by the Chinese press may appear somewhat discouraging. It must not be forgotten, however, that in a country like China where every transaction is a matter of compromise, no set of recommendations, however favourable to this country, would have been considered acceptable without strong dissatisfaction being first expressed with a view, if possible, to securing better terms. The Chinese press is to a great extent subject to the influences of the local *tangpu*⁵ with their aggressive policy *vis-à-vis* Japan and might find it extremely difficult therefore, at the present stage at any rate, to acquiesce in the terms of any settlement which admitted the right of Japan to intervene at all in the affairs of Manchuria.

4. Responsible leaders of the present administration showed extreme caution in venturing on any detailed comment on the Commission's report until agreement on policy had been reached by the Government as a whole. I enclose herein, for purposes of record, a statement⁶ made by the Minister

⁴ A reference presumably to the events leading to the dismissal of Mr. Fukumoto, Japanese Commissioner of Customs at Dairen, in June 1932; cf. Volume X, No. 452.

⁵ i.e. local committee of the Kuomintang party.

⁶ Not printed.

for Foreign Affairs on October 4th giving his first impressions of the Report, and also the statement⁶ made by Mr. Wang Ching-wei prior to his departure for Europe, and which as I stated in my telegram No. 394 Tour Series⁷ of October 26th, was made with the official approval of the Government and represents its considered policy. In interviews with the press the Young Marshal stated that the Report, although unsatisfactory on certain points, was on the whole fair. Dr. Hu Shih, the well-known Chinese scholar, likewise expressed satisfaction but took exception to the proposed composition of the Advisory Conference on the grounds that procedure of that kind would be too partial to the situation created by the Japanese authorities in Manchuria, during the last year. Opposition leaders, such as Hu Han Min and Sun Fo, roundly attacked the report and recommended that it should be rejected. In their view a final solution of the problem no longer rested with the League of Nations or the signatories of the various international treaties violated by Japan, but with the efforts of the Chinese people who should now take the matter into their own hands. The Shanghai members of the Central Executive Committee, the South-West Political Council and other organisations, joined in the chorus of condemnation, but it must be remembered that their action, as that of all those who do not at present carry the responsibility of office in the Central Government, has most probably been prompted far more by the desire to embarrass their political opponents and thus further their own or sectional interests than by any genuine wish to co-operate in finding some basis of settlement of the Sino-Japanese dispute.

5. The various aspects of the Lytton Report, which have met with the adverse comment of the Chinese press, are embodied in an article, a copy⁶ of which is also enclosed herein, published in 'The Expounder', a weekly paper in the English language published in Canton. The author of the article is Edward Bing Shuey Lee, the chauvinistic ex-editor of the Peking 'Leader', the circumstances of whose cessation of publication were reported in Sir Miles Lampson's despatch No. 306⁸ of 5th March of this year.

I have, &c.,

E. M. B. INGRAM.

⁷ No. 20.

⁸ Not preserved in Foreign Office archives. The summary on the docket reads: 'The "Peking Leader" suspended publication as from January 28th. The news caused little surprise and there can be no doubt that the paper was suppressed on the orders of Marshal Chang Hsueh-liang as a result of official pressure brought to bear on him through the Japanese Legation. Encloses two extracts from the "Leader" containing passages referring to the Declaration of the Korean Independence Association to which exception was taken by the Japanese.'

No. 31

Sir J. Simon to Sir F. Lindley (Tokyo)
No. 684 [F 7827/1/10]

FOREIGN OFFICE, *November 1, 1932*

Sir:

In the course of conversation this morning the Japanese Ambassador referred to the approaching meeting at Geneva about Manchuria. I said that our Government was complying with the Japanese request to suspend judgment until we had the Japanese case before us, but that I should like to know when this document would be available. The Ambassador explained that it was not ready when Mr. Matsuoka left Japan, but that it was being brought by Mr. Yoshida. He thought that it would not be available at Geneva on the 14th November, but that the meeting could take place about the 21st November. I said that we should like to have the document as soon as possible so as to be able to study it beforehand. The Ambassador told me that he had seen Lord Lytton and had conveyed to him the appreciation of the Japanese Government for the sincere effort which he had made to discharge faithfully his difficult duties.

Mr. Matsudaira followed up this conversation by a letter saying that Mr. Yoshida would arrive at Geneva with the Japanese commentary on the 14th November, and that it would be presented to the League Secretariat about the 18th November, in time for the Council meeting now fixed for the 21st.

I am, &c.,

JOHN SIMON

No. 32

Letter from Sir E. Drummond (Geneva) to Sir J. Simon
(Received November 4)
[F 7778/1/10]

LEAGUE OF NATIONS, GENEVA, *November 2, 1932*

My dear Foreign Secretary,

Now that Haas, who was Secretary of the Lytton Commission, has come back, I have had an opportunity of discussing fully with him the lines of future possible action on the Report. I find that he shares my view as to the inadvisability of forcing the pace, or of confronting Japan at the moment with a definite acceptance or rejection of the Report. As a result, I have elaborated a schedule of a possible programme, and now send you a copy.¹ I have shewn it to Norman Davis and made certain amendments on his suggestion. I believe that he personally favours the general ideas it contains as regards procedure.

Believe me,

my dear Foreign Secretary,

Yours very sincerely,

ERIC DRUMMOND

¹ See enclosure: and cf. No. 17.

ENCLOSURE IN NO. 32

*Possible Programme for Future Action in Far East
resulting from Lytton Report*

Assembly meeting in December or January?

1. Adoption of first eight chapters of Lytton Report.
2. Declaration of non-recognition of and non-co-operation with Manchukuo Government.
3. Declaration in favour of international co-operation in the internal reconstruction of China.²

Chapters 9 and 10 of Lytton Report.

Division of recommendations of these chapters into two categories.

A. Manchurian problem.

Assembly to invite Members of League specially interested in Manchuria and States signatories of Kellogg Pact not Members of the League so interested—names of countries to be stated—they would be U.S., Soviet Government, and Powers signatory and adhering to Nine-Power Treaty—to hold a conference to examine proposals made in chapters 9 and 10 and endeavour to reach agreement as to a settlement, the Assembly being informed of the results of the deliberations.

B. International co-operation in the internal reconstruction of China.

Assembly on basis of its declaration (see 3 above) to invite Powers specially interested to hold a conference with a view to elaborating a definite plan; thereby stimulating trade with China and tending to diminish economic crisis.

These Powers would also be named by the Assembly and would include States signatories of and adhering to Nine-Power Treaty, and Germany.—The Soviet Government would also be invited and would itself decide whether it would be able to accept an invitation on the defined basis.

When the results of these two conferences were known, the Assembly would meet again to establish its final report under Article 15 of the Covenant, the time-limit laid down under that article being extended indefinitely for such purpose.

2/xi/32.

² *Note in the original:* 'Any immediate action which could be taken in this sense would be specially valuable.'

A minute on the file by Mr. Orde of November 4 commented that the proposal that the League should declare in favour of international help for reconstructing China was criticized in the Foreign Office on F 7733 (see No. 26, note 5). A later minute on the file by Mr. H. J. Seymour (Principal Private Secretary to Sir J. Simon) read: 'Sir E. Drummond told me today he had now abandoned this proposal. H. J. S. 7/xi.' Cf. No. 37 below.

Mr. Ingram (Peking) to Sir J. Simon (Received November 3, 8.30 p.m.)

No. 814 Telegraphic: by wireless [Confidential/Telegram/53/273]

PEKING, November 3, 1932

I called on Panshan Lama to-day¹ and was very cordially received.² He referred to his friendly relations with Government of India in the past, and hoped for a renewal of those relations in the future. He had missed seeing His Majesty's Minister on last occasion when he, the Panshan Lama, was in Peking, and so had been particularly anxious not to miss meeting me.

2. I referred to his recent homilies, in which he had emphasised the need of peace and good relations between neighbours, and this gave me an opening to bring in letter from Dalai Lama.³ With necessary explanation, I handed him a copy of English translation, together with summary in Chinese, and said that I would transmit original as soon as I received it. I added that Government of India were very anxious to bring about a reconciliation between Dalai Lama and His Holiness, and they had assured me that Dalai Lama was also genuinely anxious to attain same end.

3. Panshan Lama protested his gratitude to us for this manifestation of goodwill and for the opportunity of reopening communications with Dalai Lama, which had been broken off for a long time. He said that there was no personal animosity between himself and Dalai Lama, and their estrangement was due to machinations of subordinates. He would study Dalai Lama's letter carefully and would communicate with me again. He hoped that these relations which had been established between us would be maintained, and said that, even if he was not in Peking personally, we could keep in touch through his personal representative here.

4. I repeatedly emphasised that our desire was to promote harmony and reconciliation as much between individuals as between States, but did not refer to internal situation in Tibet or to the boundary question as he did not raise them himself.

5. Panshan Lama's protestations of friendship and gratitude seemed sincere and I was most struck by his personality.

(Repeated to India.)

¹ This interview took place on November 2.

² In his telegram No. 393 Tour of October 25, received in the Foreign Office on October 26 at 6.30 p.m., Mr. Ingram asked whether he should refer to the internal situation in Tibet when next he spoke to the Panchan Lama. He was instructed in telegram No. 255 of October 31 from the Foreign Office that in the view of the Government of India it was unnecessary to do so unless the Panchan Lama raised the subject.

³ This letter had been received by the Government of India from Colonel Weir for delivery through the Peking Legation to the Panchan Lama.

No. 34

Letter from Mr. Cadogan (Geneva) to Mr. Orde¹
[F 7890/1/10]

GENEVA, November 3, 1932

My dear Orde,

I enclose a copy of a document² which the Secretary-General gave me yesterday regarding the possible procedure on the Lytton Report.

Drummond told me that he had discussed this with Mr. Norman Davis who in fact had suggested adding the words at the end of paragraph A. on page 1 'The Assembly being informed of the results of the deliberations'.

I gather from Drummond that his idea is that the Council when it meets will merely hear the statements of the Japanese and the Chinese and, unless it sees a means of effecting a settlement itself, which seems extraordinarily unlikely, it will be content to pass the matter on to the Assembly. The procedure would be that the Assembly Committee of Nineteen would thereupon meet and start a detailed examination of the affair. This would probably take some time, and the Plenary Assembly would possibly not meet before the end of this year or the beginning of next year.

If the enclosed rough outline plan were approved, we should have to work for its realisation on the Committee of Nineteen.

Yours

A. C.

¹ Received on November 5, according to a pencil note on the filed copy.

² Identical with enclosure in No. 32.

No. 35

Mr. Ingram (Peking) to Sir J. Simon (Received November 4, 6 p.m.)
No. 819 Telegraphic: by wireless [F 7819/1/10]

PEKING, November 4, 1932

My telegram No. 614.¹

Referring to Reuter report of question asked in House of Commons on October 24th² about Sino-Japanese tension, H.M.'s Consul-General, Shanghai, reports there is no organization in Shanghai either official or unofficial akin to a local 'Japanese defence Corps'.

Local boycott situation remains unchanged. Intimidation against shops suspected of dealing in Japanese goods continues so that practically no Japanese products are openly displayed in retail stores though occasional sales may be made surreptitiously but this intimidation is being actively discouraged by Chinese authorities.

¹ Volume X, No. 641.

² See 269 *H.C. Deb.* 5 s., col. 581.

No. 36

Record by Sir V. Wellesley of a conversation with M. de Fleuriau
[F 7870/1/10]

FOREIGN OFFICE, November 7, 1932

The French Ambassador called this afternoon and left with me the annexed memorandum¹ on the subject of Manchuria. His Excellency said that the proposals recently put up by Sir Eric Drummond were receiving the attention of the Quai d'Orsay but that the latter had not yet been able to make up their mind on the various points raised by Sir Eric. They were very anxious to keep in close touch with us and would be glad to know our views on Sir Eric's proposals. His Excellency read out to me a private letter from M. Berthelot² in which he was inclined to think that the best solution would be for the Council to accept the Lytton report in toto and to refer it to a Commission of the Nine Powers plus Soviet Russia. As regards Sir Eric's suggestion to set up a Central Government in China with the assistance of the Powers, it appeared to him wholly impracticable.

I told the Ambassador that I felt sure that the Secretary of State would be only too ready to keep in the closest touch with the French Government on this subject. I added that Sir Eric Drummond's proposals were now being considered by the Secretary of State. I gave him a brief outline of the way we viewed the situation here and emphasised the necessity of playing for time. I could not however tell him more at the present stage as no decision had yet been arrived at.

I think there will be very little difficulty in bringing the French into line with our views on this subject which is all to the good.

V. W.

¹ Not printed.

² Secretary-General of the French Ministry of Foreign Affairs.

No. 37

Memorandum by Sir E. Drummond¹
[F 7903/1/10]

LONDON, November 7, 1932

Possible Programme for Future Action in Far East resulting from Lytton Report
Assembly Meeting in December or January?

1. Adoption of first eight chapters of Lytton Report.

¹ Cf. No. 32. A note on the file by Sir R. Vansittart reads: 'Left with me by Sir E. Drummond as his final revise. R. V.' This is dated in another hand 'Nov. 7'. Sir E. Drummond was in London at this time.

2. Declaration of non-recognition of and non-co-operation with Manchukuo Government.²

Chapters 9 and 10 of Lytton Report.

Assembly to invite Members of League specially interested in Manchuria and States signatories of Kellogg Pact not Members of the League so interested—names of countries to be stated—they would be U.S., Soviet Government, and Powers signatory and adhering to Nine-Power Treaty and Germany—to hold a conference to examine proposals made in chapters 9 and 10 and endeavour to reach agreement as to a settlement, the Assembly being informed of the results of the deliberations.

The deliberations of this Conference would presumably be confined to the Manchurian problem. As regards international co-operation in the internal reconstruction of China (see chapter 10 of Lytton Report) a declaration by the Assembly in the sense of the annexed document appears desirable and sufficient.

When the results of the conference are known, the Assembly would meet again to establish its final report under Article 15 of the Covenant, the time-limit laid down under that article being extended indefinitely for such purpose.

ANNEX

The Assembly,

In view of the difficulties experienced by the National Government of China in its work of reconstruction, which have been increased by the events that have taken place since September 18th, 1931,

Declares its firm determination to continue to afford to China the technical assistance which she has requested,

And considers that if the problem of Chinese reconstruction were to be brought by the Chinese Government before the World Economic Conference³ or raised as an international issue in some other manner, it should be treated as an urgent problem of international importance.

² Minutes on the file read as follows: 'The objections to a declaration of non recognition have been argued in another paper [cf. No. 17, n. 9]. As regards technical assistance to China our policy should be, I think, not to oppose this, but to use our influence to keep it within reasonable bounds and on sound (namely non-political) lines. J. T. Pratt 10/11.' 'I agree. C. W. Orde 10/11.' 'So do I. V. W. 11/11/32.' 'R. V. Nov. 12.'

³ The World Economic and Monetary Conference was to open in London on June 12, 1933; cf. No. 506 below, note 1.

No. 38

Sir E. Ovey (Moscow) to Sir J. Simon (Received November 12)

No. 633 [F 7956/369/23]

MOSCOW, November 8, 1932

Sir,

I have the honour to report that M. Matsuoka with other members of the Japanese Delegation to the Special Assembly of the League of Nations

accompanied by a group of Japanese journalists arrived in Moscow a few days ago *en route* for Geneva. They left Moscow on the evening of November 7th.

2. A sumptuous reception was held by the Japanese Chargé d'Affaires in their honour on November 4th to which Soviet notabilities and the heads of foreign missions were invited.

3. The fact that the delegation broke its journey in Moscow and then—owing to the postponement of the date of the meeting at Geneva—stayed rather longer than had at first been intended, has rather excited some of the American newspaper correspondents in Moscow, who are almost morbidly on the watch for signs of a Soviet-Japanese rapprochement. One of them went two days journey along the Trans-Siberian railway to meet the delegation, in order to be first with the news, if any.

4. A recent remark to me by the Japanese Chargé d'Affaires in reply to an enquiry regarding Soviet-Japanese relations may be worth recording, namely—'Soviet-Japanese relations are good but Japanese-Soviet relations are not so good.'

I have, &c.,
ESMOND OVEY

No. 39

*Letter from Sir E. Drummond (London) to Sir R. Vansittart
(Received November 9)*

[F 7886/1/10]

LONDON, November 8, 1932

My dear Van,

You may or may not know that the American Government furnishes me fairly frequently with certain confidential information as to happenings in the Far East, which I pass on to the Governments members of the Council, so that you have it. The other day, however, they raised the question of reciprocity, and I wonder whether, in order to satisfy them, it would be possible for you to send me a summary, if you have the information, of the reaction of the Japanese and Chinese Governments and of the Press in the two countries to the Lytton Report. If this were feasible I could pass it on confidentially to the American representative in Geneva and this would ensure the continuance of the information which they supply to me, and which I think on the whole is useful. I expect to be able to get a similar summary from the French.¹

Yours ever,
ERIC DRUMMOND

¹ A note by Sir R. Vansittart reads: 'I sh^d think a summary might well be prepared. We can select the material. R. V.' See No. 46 below.

No. 40

Sir J. Simon to Mr. Ingram (Peking)

No. 273 Telegraphic [F 7717/1108/10]

FOREIGN OFFICE, *November 9, 1932, 10.30 p.m.*

Your telegram No. 806¹ (claims arising from Sino-Japanese hostilities at Shanghai).

Four cases mentioned, where Company is British but shareholding substantially Chinese, should not be taken up with Japanese Government.

Please repeat to Tokyo.

¹ No. 29.

No. 41

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 6)

No. 598 [F 8442/1/10]

TOKYO, *November 9, 1932*

Sir,

I have the honour to acknowledge receipt on November 5th of your despatch No. 623¹ (F6615/1/10) of the 29th September last instructing me to make application to the Japanese Government for an 'ex-gratia' payment for the benefit of the relatives of the two British sea-men who unfortunately lost their lives as the result of shell-fire at Shanghai last February.² Before carrying out those instructions, I feel it my duty, most respectfully, to lay the following considerations before you.

2. The shells which caused the death of the two sea-men were, admittedly,³ fired by the Chinese; and it seems to me highly improbable that the Japanese Government will be willing to make even an 'ex gratia' payment to their relatives. I cannot believe that, in similar circumstances, His Majesty's Government would entertain such a request favourably. My representations will, therefore, in all probability, end in failure if made.

3. To support our request by referring to the services we rendered in bringing about the cessation of hostilities at Shanghai is, if I may venture to say so, unworthy of our country. It is a minor objection that it will also be considered highly disingenuous by the Japanese, who, rightly or wrongly, believe that our activities as mediators, for which they have expressed their gratitude in the handsomest manner,⁴ were dictated rather by a regard for British interests than by a desire to be helpful to themselves. And I regret to have to report that, as far as my own numerous representations to Mr. Yoshizawa are concerned, these suspicions will be not merely correct but can probably be proved by the records of my conversations which doubtless

¹ Not printed.

² See Volume IX, No. 484.

³ A marginal note at this point by Mr. Orde reads: 'it is only a probability. C. W. O.'

⁴ Cf. Volume X, No. 327.

exist at the Gaimusho. For I never pretended that my anxiety to do everything possible to put a speedy end to the fighting was due to anything but a regard for British lives and property.

4. Finally I submit with the greatest deference that it would place us all in a most invidious position to ask a favour, still more to receive a favour, from the Japanese Government just before presenting them with a heavy bill for damages on account of the Shanghai fighting. The claims which I shall soon be instructed to present will, assuredly, be stoutly contested; and I confess that I should view with dismay the prospect of having to argue those claims if I had just been the recipient, on behalf of His Majesty's Government, of a not unsolicited charitable donation.

5. In the light of the above observations, which I have made with the greatest reluctance, I trust most sincerely that the instructions contained in your despatch under reply may be withdrawn. And I have suggested to Sir Victor Wellesley in a private letter of to-day's date a manner⁵ in which the relatives of these two unfortunate sea-men may be relieved in the event of absolute necessity.

I have, &c.,
F. O. LINDLEY

⁵ A marginal note at this point by Mr. Orde reads: 'A private subscription among Sir F. Lindley's friends. C. W. O.' See No. 44 below.

No. 42

Mr. Ingram (Peking) to Sir J. Simon (Received January 6, 1933)

No. 1458 [F 142/70/10]

PEKING, November 9, 1932

Sir,

With reference to your telegram No. 86¹ of October 19th, addressed to me at Nanking, I have the honour to transmit herewith a copy of a report prepared at my request by the China Printing and Finishing Co. Ltd., regarding the present position of the anti-Japanese boycott and its effect on the Company's business. The statement that the boycott 'is absent from the regions north of the Yangtze Valley' is of course true only in relation to that business.

2. Judging from this report the Company's trade is being very seriously affected by the boycott but it is difficult to know what more can be done to help them than we are doing. I have, I feel, gone almost too far already. In my Printed Letter despatch No. 146 Tour Series² of October 14th I enclosed a copy of a Memorandum² which Mr. Blackburn handed to Mr. Liu Shih-shun, Head of the European and American Department of the Wai Chiao Pu during my visit to Nanking, dealing with the extension of the

¹ Not printed. This telegram asked for a 'report by despatch on present position of boycott and its effect on [China Printing and Finishing] Company's goods in Shanghai and elsewhere'.

² Not preserved in Foreign Office archives.

anti-Japanese boycott to British goods, with particular reference to the Canadian fish and the products of the China Printing and Finishing Co. Ltd. In this memorandum I said that the grey cloth used by the Company was no longer bought from the Japanese mills but was imported from England; the Company had therefore taken every possible step to preserve the British character of the trade pure and unblemished, and to overcome the suspicion and opposition of the boycott associations, and now I could only look to the Chinese Authorities to take effective steps to prevent unlawful interference with British trade. Unfortunately the Company, which did for a time use only British grey cloth, has now reverted to the use of Japanese cloth, so that my statement, made with the intention of strengthening the Company's case as much as possible, is likely to have rather the opposite effect.

3. The Wai Chiao Pu, in acknowledging the receipt of the foregoing memorandum, have stated that a renewed request has been made to all the local authorities concerned to afford protection.³ It is to be feared, however, that such instructions will carry small weight with the boycott associations. However unjust such an attitude may be, the latter regard the products of the China Printing and Finishing Co. Ltd. as tainted goods. It is more than doubtful whether the Company could get rid of this taint even if they were now to sever their connection with the Japanese mills entirely: while they use Japanese cloth there is simply nothing to be done for them.

I have, &c.,

E. M. B. INGRAM

P.S. Since writing the foregoing I have received Shanghai despatch No. 390⁴ of November 3rd, a copy of which is enclosed herein. It shows in a very clear manner the difficulties with which His Majesty's Consular Officers are faced in attempting to assist this Company.

E. M. B. I.

ENCLOSURE IN NO. 42

Report on the Present Boycott Position

SHANGHAI, October 25th, 1932

The business of our Company is mainly with the Yangtse Valley, and the coastal provinces of China, South of the Yangtse River. The Anti-Japanese

³ The Chinese memorandum, not printed, was dated October 27 and was forwarded to the Foreign Office by Mr. Ingram in his despatch No. 1484 of November 15 (received January 4, 1933), not printed (F 70/70/10).

⁴ In this despatch, not printed, Sir J. Brenan reported Mr. Ashton [the Managing Director]'s explanation that owing to the severe cuts which the Japanese had made in prices it was impossible for the China Printing and Finishing Company to compete unless they too used Japanese cloth. Although Japanese goods were presumably equally liable to be seized he thought that 'Chinese dealers in many cases now took the risk of seizure' because of the low prices, or were storing the goods in the hope of an ending of the boycott. On November 3 Sir J. Brenan wrote to the Mayor of Greater Shanghai asking whether the seizure of the Company's goods was or was not regarded as an illegal act. The Mayor's reply of December 2 ignored this question, but stated that orders had been issued 'not to allow any seizures in the future'.

Boycott is most severe in these regions. It is absent from the regions North of the Yangtse Valley.

In Shanghai our goods are not seized, but seizures of our goods have recently taken place at the following big centres of distribution:

Chungking, Szechuen	Hsuehowfu, Kiangsu
Changsha, Hunan	Ningpo, Chekiang
Hengchow, Hunan	Hangchow, Chekiang
Chenchow, Honan	Wenchow, Chekiang
Nanchang, Kiangsi	Shao Shing, Chekiang
Kiukiang, Kiangsi	Kashing, Chekiang
Wuhu, Anhwei	Amoy, Fukien
Chinkiang, Kiangsu	Swatow, Kwangtung
Changchow, Kiangsu	Canton, Kwangtung
	Kweiyang, Kweichow

The Boycott of our goods is becoming increasingly severe, so much so, that all the places above mentioned are now closed to us with the exception of Nanchang, Kiukiang and Swatow. In other words, 70% to 80% of the regions that usually consume our productions are now closed to our trade. There is also a further danger that places still open to us may soon be closed.

The Boycott is thus affecting our trade most severely, and if the conditions do not improve soon, we may have to close our works with great consequential loss to us.

In all cases of seizures of our goods, we have appealed to the British Consular Authorities. They have invariably done their utmost to effect the release of our goods seized and keep our trade free from interference, but so far with not much success.

It seems to us that the present policy of dealing with each case of seizure, as it arises in various localities scattered over an enormous extent of territory without rapid means of communication, is very slow, laborious and ineffective.

We, therefore, desire to suggest that His Majesty's Chargé d'Affaires take the matter up either with the Central Government in Nanking, or with the Central Tangpu through the Waichiaopu, if such a course is open to him.

JAMES ASHTON,
Managing Director,
The China Printing and Finishing Co. Ltd.

Mr. Ingram (Peking) to Sir J. Simon
(Received November 11, 4.50 p.m.)

No. 835 Telegraphic: by wireless [F 7962/51/10]

PEKING, November 11, 1932

Your telegram No. 259.¹

Please see my despatch No. 1266² of October 2nd and Mukden despatch No. 159³ of October 12th.

2. All documents relating to these claims have been transferred from Mukden to Changchun where Manchukuo Government propose to appoint a committee to study problem of their liquidation under supervision of Prime Minister.

3. Matter is therefore in reality no further advanced than it was six months ago and possibility of exercising personal pressure at Mukden has been removed not only by above action but by transfer of General Muto's headquarters⁴ to Changchun.

4. It is a question of policy as to whether any purpose would be served by bringing pressure to bear at Tokyo but Japanese Government will obviously reply that they have no influence over internal affairs of the new state while their merchants in Manchuria are . . .⁵ in much the same boat as our own in this matter.⁶

5. A rumour recently appeared in the Press that Government of Manchukuo had agreed to settle German claims to amount of 3,000,000 dollars but German Consul at Mukden says report is untrue.

Repeated to Mukden, Mission and Tokyo.

¹ Of November 3, not printed. This telegram had asked for a report on the present position regarding the claims presented to the Fengtien Province Outstanding Commercial Debts Adjustment Committee, a body which, on February 3, 1932, had invited the presentation of claims by the British and other consuls in Mukden. Cf. 269 *H.C. Deb.* 5 s., col. 1422.

² Received November 23, not printed. This despatch had enclosed three memoranda describing action taken in regard to the British claims. Mr. Ingram wrote: 'It will be seen from these Memoranda that everything possible is being done to bring the government at Changchun to a sense of its responsibilities in the matter, and to effect a settlement of these claims locally.'

³ A copy of this despatch to Peking (not preserved in Foreign Office archives) was received in the Foreign Office on November 26 under cover of Mukden despatch No. 156 of October 12.

⁴ General Muto was Chief of all Japanese Administration in Manchuria; cf. Volume X, No. 576.

⁵ The text is here uncertain.

⁶ Foreign Office telegram No. 145 of November 16 instructed Sir F. Lindley to put in a word if he could see his way to do so 'without courting a direct rebuff'.

Letter from Sir F. Lindley (Tokyo) to Sir V. Wellesley
(Received December 9)

[F 8554/1/10]

TOKYO, November 11, 1932

My dear Wellesley,

Some years ago I had an acrimonious correspondence with Tyrrell¹ who maintained that the Foreign Office should merely act as a post office when it received requests from other Departments that action should be taken by one of our Representatives. I protested as strongly as I could against this monstrous doctrine and hoped that it had been definitely abandoned. It seems to me, however, that Foreign Office despatch No. 623² (F 6615/1/10) of the 29th September shows that this is not the case.

Now it is quite natural that some breezy fellow at the Admiralty should have the happy idea of extracting £100 from the 'Japs' for the benefit of the relations of the two seamen who were killed last February in Shanghai; but I don't think that the Foreign Office should, upon receipt of this suggestion, have instructed me definitely to make such a demand.³ In my despatch No. 598⁴ of the 9th instant I have explained the reasons why I think the representations I am instructed to make are altogether untimely and I don't think any unprejudiced person can differ from me. Between ourselves, one or two experienced members of my staff were positively horrified when they read the Foreign Office despatch. And I think that my objections ought to have occurred to the Far Eastern Department and it should not have been left to me to make them. It is a most invidious task, none the less invidious because it has so often to be performed, for a representative to have to object to carrying out his instructions. The last occasion on which I had to do this was on receipt of your telegram No. 109⁵ of July 13th; and I have never heard if my reasons for disregarding your instructions, as explained in para. 2 of my despatch No. 378⁶ of July 21st, were considered sufficient or not.

Anyhow, to return to the present business, to ask the Japanese Government for this £100 is so extremely distasteful to me that, if the Admiralty insist on having the money, I shall raise it here by private subscription amongst my friends and forward it home. In fact I will guarantee the sum now rather than make these odious representations.

As ever

F. O. L.

¹ Sir William Tyrrell (cr. Baron 1929) had been Permanent Under Secretary of State for Foreign Affairs, 1925-8.

² Cf. No. 41, paragraph 1.

³ A marginal note at this point by Mr. Orde reads: "'suggestion' was our word. C. W. O."

⁴ No. 41.

⁵ Volume X, No. 525.

⁶ *Ibid.*, No. 545. See No. 119 below.

Mr. Ingram (Peking) to Sir J. Simon (Received November 12, 4.5 p.m.)
No. 841 Telegraphic: by wireless [F 7976/82/10]

PEKING, November 12, 1932

Mr. Hubbard agent of Hongkong and Shanghai Bank at Shanghai has enquired through Commercial Counsellor views of His Majesty's Government with regard to a proposal put before him confidentially by the Minister of Railways for the issue of a loan of two and a half million pounds secured on two-thirds of total British Boxer indemnity instalments for years 1937 to 46.¹

Proceeds of such loan plus two-thirds of current instalment for years 1933 to 1936 (amounting to roughly one and a half million pounds) would be used for completion during years 1933 to 1937 of Canton-Hankow Railway. After payment of current interest on bonds issued during the years of construction minister hopes by these means to raise a sum of roughly 3½ million pounds for the completion of line. Agreed principle that one half of funds should be used for the purchase of material in United Kingdom would be followed in the case of loan proceeds as in that of current instalment. Suggested employment in this manner of two-thirds only of instalment is due to the decision of Nanking government to devote one-third of British indemnity for other than railway purposes.

2. According to Mr. Hubbard's estimates it seems doubtful whether annuities in question would suffice to cover interest and amortisation of a loan of this size or whether even if that were so sum of 3½ million pounds which it is proposed to raise would be sufficient to finish the line but what he wishes to know is whether Chinese government is free to pledge either or both of moieties payable to purchasing commission and to Board of Trustees in this manner without reference to His Majesty's Government or whether His Majesty's Government would attach any condition to pledging of either moiety.

3. As regards moiety paid to Board of Trustees I presume only consent of the trustees is required and that it is not necessary to consult His Majesty's Government regarding its use in the manner proposed. On the other hand I doubt whether raising of a loan on moiety payable to purchasing commission was contemplated by settlement.

4. I am not however quite sure whether this latter difficulty could not be overcome and Chinese government allowed to use this moiety also as security, provided a definite assurance were given that requisite proportion (viz: the half represented by what purchasing commission would have handled) of proceeds of whole loan would be spent in United Kingdom. Practical object of a loan based on this moiety might as Mr. Hubbard suggests possibly be

¹ For the Exchange of Notes, September 19-22, 1930, between the United Kingdom and China regarding the disposal of the British share of the China (Boxer) Indemnity of 1901, and the China Indemnity (Application) Act, 1931, giving effect to the proposals, see respectively *B.F.S.P.*, vol. 132, pp. 230-6, and vol. 134, pp. 20-21; cf. also Cmd. 3715 of 1930 and Volume VIII of this Series, No. 1, pp. 20-22.

more economically achieved by arranging long credit terms (of payments from instalments as they become due from 1937 onwards) for purchase of materials by purchasing commission in United Kingdom during the construction years 1933 to 1936.

5. I shall be grateful for early indication of your views as to what reply should be returned to Mr. Hubbard's question on this point.

6. Difficulty of reconciling security required by Board of Trustees out of revenue of various sections of completed railway with terms of Hukwang railway loan agreement² would still remain but that is a separate question which primarily concerns the banks interested in the original construction loan.

² This Agreement of May 20, 1911, is printed in *Treaties and Agreements with and concerning China, 1894-1919*, edited by John V. A. MacMurray (MacMurray), vol. i, pp. 866-79.

No. 46

Letter from Sir R. Vansittart to Sir E. Drummond (Geneva)

[F 7886/1/10]

FOREIGN OFFICE, *November 16, 1932*

My dear Eric

You asked me in your letter¹ of November 8th whether we could furnish you, for confidential communication to the United States representative in Geneva, with a summary of our information as to the reaction of the Japanese and Chinese Governments and press to the Lytton Report.

I enclose a summary accordingly. It is based partly on conversations which must be treated as confidential, so that it must itself be regarded as a confidential document.

Yours ever
R. VANSITTART

¹ No. 39.

ENCLOSURE IN No. 46

Chinese and Japanese Reactions to the Lytton Report

Our reports from China are to the effect that while official circles in China consider that the League machine is useful to China in supplying disinterested advisers on technical matters they have really abandoned hope for concrete results from the League as regards the settlement of the Manchurian dispute and believe that China could get more from a Washington Conference if it could be staged than from anything the League could do. Provided the recommendations of the Lytton Report are not taken too literally, so as to allow scope for bargaining, the Report is regarded as a suitable basis for negotiations, but China would be most reluctant to enter such negotiations alone. Either the neutral powers or the League should act as observers at

these negotiations or Japan should accept in advance and in considerable detail the fundamental principles for an eventual settlement. It is believed that although China will strongly urge the danger to peace unless the League takes effective action her main efforts at Geneva will be directed towards securing a fresh Washington Conference.

A statement published in the Press by Wang Ching Wei is stated to represent the Government's considered policy.² The statement was to the effect that if the Chinese decided on war that would be to seek justice through force; if they decided on peace 'the most important step would be to accept the sympathy which the League has shown towards us, but to seek to rectify its weakness and enhance its power in order that we may yet achieve final triumph'. No official reports on Chinese Press comments on the Lytton Report have been received.

Our Reports from Japan are to the effect that the Japanese Press whilst commending the historical chapters of the Lytton Report unanimously opposes a solution on the lines recommended. Strong objection is expressed in particular to two of the findings in the Report namely (1) that the actions of the Japanese military authorities could not be regarded as legitimate measures of self defence and (2) that the present régime, namely the independent State of Manchukuo, cannot be considered to have been called into existence by a genuine and spontaneous independence movement. The Commission is blamed for not understanding the position properly and the independence of Manchukuo is held to be an established fact which precludes anything like international control. Official circles are understood to share this view that the complete independence of Manchukuo is an established fact which must be made the basis of Japanese policy.

² Cf. No. 20.

No. 47

Mr. Ingram (Peking) to Sir J. Simon (Received November 17, 9 p.m.)
No. 856 Telegraphic: by wireless [F 8092/16/10]

PEKING, November 17, 1932

Following for Sir V. Wellesley.

My letter to you of October 24,¹ enclosing copy of my letter to Commander-in-Chief of October 21.²

I am sending you despatch³ putting up officially a request for an Air Attaché.

¹ In this letter, received November 29 (not printed), Mr. Ingram referred to his conversation on October 20 'with T. V. Soong, the Minister of Finance, who was singularly communicative about China's military policy as a whole'. His letter concluded: 'As to the Air side of the picture, I have long been thinking that if we had an Air Attaché out here we might have been able to do more than we have, and that the Air Mission would not have come to nothing'; cf. Volume X, No. 732.

² Not printed.

³ No. 97 below.

2. There seems to be every indication that definite efforts will be made in the near future to develop Chinese Air Force. As will be seen from conversation recorded in enclosure to my letter under reference this is the aim of Minister of Finance who is also Acting Prime Minister.⁴ Moreover General Huang⁵ until recently director of bureau of aeronautics is being sent by Chiang Kai-Shek to Europe to inspect aviation developments there—see my letter to you of November 17.⁶

3. In spite of praiseworthy efforts of British firms here I feel we are not taking proper advantage of our opportunity and are letting other countries especially America (cf. their new flying school at Hangchow) get ahead of us. French and Italians have both got Air Attachés and Americans have got aviation experts attached to their Legation.

4. Commercial Counsellor who shares my view that we are being left behind agrees that Air Attaché would be most useful. He considers that to compete properly we must have someone with a[n] entrée into Government circles who possesses requisite technical knowledge.

5. My object in telegraphing is to enable you to consult His Majesty's Minister who may leave England before despatch arrives.⁷

⁴ Cf. No. 15.

⁵ General Ping Hung Huang, Chairman of the Military Affairs Commission.

⁶ Not printed: it appears to have been received on December 25.

⁷ Sir M. Lampson was consulted by letter on November 23. In his reply, in a letter of the same date to Mr. Orde, Sir M. Lampson wrote: 'I am—and long have been—in favour of this proposal. The only reason I did not make it long ago was on grounds of national economy.'

No. 48

Letter from Sir C. Addis¹ to Sir V. Wellesley

[F 8073/3142/10]

THE CHINA CONSORTIUM, CENTRAL AGENCY, LONDON, *November 17, 1932*

My dear Wellesley,

MANCHURIAN LOAN.

On November 8 I received the following letter from Mr. Nohara, the London Representative of the Japanese Group in the China Consortium:²

'I have just received a telegram from my Principals in Japan, in which I am requested to inform you that the Manchukuo Government has opened negotiations with a Syndicate in Japan with a view to obtaining a loan for Yen 30,000,000.

¹ Chairman of the London Committee of the Hongkong and Shanghai Banking Corporation.

² For correspondence relating to this Consortium and the text of the Agreement of October 15, 1920, see Cmd. 1214 of 1921; cf. also Volume VIII, enclosure in No. 95, and First Series, Volume VI, Chapter II, and Volume XIV, Chapters I and II.

'The proceeds of this loan are intended to be devoted to the road-making and the provision of the equipment, urgently required for expediting the restoration of peace and order in Manchukuo, and also for the repairing of the damage caused by the floods in Northern Manchukuo.

'My Bank³ is intending to participate in the Syndicate above referred to, and if you consider it proper to acquaint the members of the Consortium of the matter, my Principals will be much obliged if you will be so good as to take the necessary steps.'

At my request Mr Nohara called to see me on November 10 about some of the points raised in his letter on which I desired to be further informed.

In reply to my enquiries Mr Nohara informed me that the Loan was to be expressed in Japanese yen and issued in Japan.

Re-payment of the redemption of the previous Japanese advance of Yen 20,000,000 was not included in the objects of the loan. (This is the advance referred to in your letter of June 16.)⁴

Mr Nohara called again on November 11 to supply further details which he had obtained at my request from his Principals in Tokyo.

He was instructed, he said, to inform me that the Loan Syndicate in which the Yokohama Specie Bank is to share is a separate body from the Japanese Group in the Consortium and that it was not intended to offer participation to the other Groups in the China Consortium.

The Loan will be issued at 5% and the price to the public will probably be 96½.

I thanked Mr Nohara for his information, but thought I ought to say to him frankly that I did not see how withholding an offer of participation in the loan could be reconciled with the undertaking given by the Japanese Group in the Consortium Agreement to share and share alike. Mr Nohara agreed to telegraph to Tokyo for an explanation on this point.

I have now received the following letter from Mr. Nohara, dated November 16:—

'I beg to refer to my interview with you in connection with my letter to you of the 8th instant, and to confirm, as I informed you verbally, that the said communication was sent for information purposes. At the same time I informed you that I understood the price of the issue would be 96½ and that the Loan would be offered for public subscription.

'With regard to the point raised by you concerning Clause 4 of the Consortium Agreement, I had the pleasure of calling upon Mr Barnes on Saturday⁵ morning, when I asked him to be so good as to inform you that it is considered the contemplated loan is not within the scope of the agreement in view of the declaration of independence by the Government and the recognition of this status by the Japanese Government.'

³ i.e. the Yokohama Specie Bank, see below.

⁴ Not printed. For earlier references to this advance see Volume X, Nos. 217 and 376.

⁵ November 12.

I have forwarded copies of the foregoing letters to my French and American colleagues, and suggested to them that, in view of the political considerations involved, they should consult their respective Governments as to the reply to be made to the Japanese Group. The substance of the reply would appear to me to rest on three pivotal points.

In the first place, the contention that Japan's recognition of Manchurian independence excludes the loan from the scope of the Consortium Agreement should not pass unchallenged. The Agreement is the expression of the intention of Four Governments to share financial and commercial interests within certain territories, and its scope is unaffected by political changes within the specified territorial limits. An anticipation of provincial autonomy is implicit in Article 2, which states that the Agreement relates to loans to Provinces of China or to companies and corporations controlled by any Chinese Provincial Governments. The independence of the Three Eastern Provinces, whether recognised by the Four Governments or no, leaves them still in a financial and commercial sense within the area to which the Agreement applies.

In the second place it would seem advisable to remind the Japanese Group that at the time of their entry into the Consortium the special interests of Japan in Manchuria were the subject of protracted negotiation.⁶ The solution of the problem to which those interests gave rise was found in the view that, while the development of Manchuria formed an important field for the business of the Consortium and the exclusion of Manchuria from its scope was therefore inadmissible, the special Japanese interests were of a political and not of an economic character, and their maintenance was no bar to Japan's co-operation. The only exception to this settlement was the exclusion from the ambit of the Consortium of certain railways which were deemed to have a strategic value to Japan alone. This specific exception implies that all other economic interests in the country were open to international participation.

Finally there are for consideration the repeated assurances of Japanese statesmen since the new Manchurian Government was set up that it is the intention of that Government to maintain the principle of the 'open door'. It may be said with accuracy of the Consortium Agreement that it expresses the adherence of the Four Governments to the policy of the 'open door' in matters financial.⁷ But when the Japanese deny the Consortium Groups an equal share in the proposed loan, it appears to me that they are in fact declaring that, so far as Manchurian finance is concerned, the 'door' is closed. I have not so much concern with regard to the sharing of the loan, in which it is improbable that the other Groups would take part if offered, except by the process of residuary participation, but the creation of a new Japanese lien on the salt receipts in Manchuria, heretofore regarded as Chinese national revenue, is not a matter which the British Group can

⁶ See First Series, Volume VI, Nos. 593, 766, 768, 770, 782-6, 791-6, 802-3, and Volume XIV, Nos. 82, 90, 118, and 208.

⁷ A marginal comment by Mr. Orde here reads: 'Would e.g. the Dutch agree? C. W. O.'

witness without grave concern. With the second source of revenue upon which the loan is to be secured, namely opium, we are not as a group concerned, but with knowledge of the efforts which are being made to restrict the sale of the drug in China, we can only regret that opium receipts should be constituted as an external obligation.

To sum up:

1. The contention of the Japanese Group is that as Manchuria has declared itself an independent State and has been recognised as such by Japan, loan operations in that territory no longer fall within the scope of the Consortium Agreement which is limited to China.

2. The correspondence which preceded the formation of the Consortium in 1920 does not support this contention. On the contrary, it shows that by excluding from Consortium activities certain specified Japanese interests in part of Manchuria, the territory as a whole undoubtedly was within the scope of the Agreement, while the Agreement itself contemplated the possibility of loans to Provinces of China as well as to the Central Government of that country.

3. The issue therefore is, first, whether the Japanese view is to prevail that Manchuria is no longer part of Chinese territory, and secondly, whether admission of such a view would actually affect the territorial scope of the Consortium agreement which was not only directed to a political entity, the Government of China, but also to a specified geographical area.

Yours sincerely,
C. S. ADDIS

No. 49

The United Kingdom Delegate (Geneva) to the Foreign Office
(Received November 20)
No. 327 [F 8088/1/10]

GENEVA, November 18, 1932

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the undermentioned paper.

No. and Date

Subject

Memorandum by the Secretary of State.¹

18th November, 1932.

Record of conversation with Japanese representatives regarding Lytton Report.

ENCLOSURE IN No. 49

Memorandum

GENEVA, November 18, 1932

Mr. Matsuoka, who has just arrived here from Tokio and who is going to present the Japanese case to the Council of the League on Monday,² called

¹ Sir J. Simon had arrived in Geneva on November 14. A telegraphic account of this conversation with Mr. Matsuoka and Mr. Nagaoka was sent to the Foreign Office in Geneva telegram No. 403 of November 18.

² November 21.

on me to-day accompanied by Mr. Nagaoka, the Japanese Ambassador in Paris who is acting as Japanese Representative on the Council. Mr. Yoshida arrived yesterday bringing with him the Japanese observations on the Lytton Report which have been handed over for printing and distribution to the Secretary-General.³ The copies are not likely to be ready for circulation to the members of the Council before Monday morning when the Council meets to consider the Lytton Report. Mr. Matsuoka will then give an exposé of the Japanese position and if the Chinese representative is not ready to reply immediately (as he will only just have seen the document) there may be an adjournment for a day or more.

Mr. Matsuoka, who speaks the most excellent English and is evidently a man of much force of character, obviously paid his visit for the purpose of impressing on me the extreme gravity of the situation which would arise if the League attempted to thwart Japan in any way. He said that there were two things on which the Japanese nation could not, and would not, make the smallest compromise (*a*) the existence of Manchukuo and (*b*) the recognition of it by Japan. If a course was now taken which Japan regarded as impeaching this position in a way which involved the dignity of Japan, he wished me to know that Japan would have no alternative but to leave the League.

I enquired whether the observations of Japan, which were in course of being printed and circulated, contained declarations to this effect. Mr. Matsuoka replied that this view might be implied, though I gathered it was not expressly stated. He went on to say that Japan was often misunderstood by Western nations because when feelings arose which caused us to exhibit our anger, the Japanese would conceal similar feelings by remaining smiling, but the feeling was none the less there and after a certain point the pent up feeling might explode. If on the present occasion Japan showed her very strong feeling and the rest of us were tempted to wonder why she did so, we must remember that the sentiment behind it was deep-seated, and of long duration. Japan, he said, desired to contribute to the peace of the world no less than Britain or the United States, but in this Manchuria matter she considered that she was following an old line of policy and that her methods were the right ones to establish peace.

I thought it better not to show too much concern over Mr. Matsuoka's declaration which was obviously carefully premeditated and intended to impress, so I merely observed that membership of the League of Nations involved co-operation and give and take and that we looked to Japan to facilitate this process by moderation even where she felt most strongly. His Majesty's Government, as I had stated in the House of Commons last week,⁴ would reach no decision about the Lytton Report and what should be done in connection with it until it had studied the Japanese observations, for we intended to act with complete impartiality. But I thought I might say at

³ Printed as League of Nations document C. 775. M. 366. 1932. VII. For the text see *L.N.O.J.*, S.S. No. 111, pp. 88-121.

⁴ See 270 *H.C. Deb.* 5 s., col. 538.

once that the Lytton Report appeared to me to be written with an obvious desire to consider fairly the case of both sides and was thus inspired with a judicial spirit. Mr. Matsuoka said that Japan recognised that Lord Lytton and his colleagues had wished to be judicial, though their views in some respects were open to criticism.

I asked Mr. Matsuoka whether he was going to make any communication to the representatives of other nations before Monday's meeting and I rather gathered that this was not his intention. He said that when passing through Paris he had met M. Herriot⁵ at luncheon, but had not, as I understood, spoken seriously on this subject. I told him that I thought it would be well if he saw Mr. Norman Davis as the United States, though not a member of the League of Nations, were much interested in the matter from the point of view of the Nine Power Treaty. Mr. Matsuoka said that, if a proposal was made for a conference under the Nine Power Treaty, Japan would not accept it. Japan took the view that what she had done involved no breach either of the Covenant of the League or of the Kellogg Pact or of the Nine Power Treaty.

His tone throughout was extremely positive and definite.

Before leaving he said that he wished to express the thanks of his Government for the admirable way in which Sir Miles Lampson had handled the Shanghai situation. He extolled his patience and tact and said that these services were widely appreciated in Tokio. He added a kind word about the reasonableness of the attitude which I had taken up about these matters at meetings of the Council. I said that I hoped the good will of Great Britain in these Far Eastern questions was not in doubt: we desired to act throughout fairly and impartially and as friends of all sides.

J. S.

⁵ French President of the Council and Minister for Foreign Affairs, June–December, 1932.

No. 50

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 29)

No. 610 [F 8880/1/10]

TOKYO, November 18, 1932

Sir,

I have the honour to transmit to you herewith copy of a Note by the Commercial Counsellor to this Embassy¹ regarding the present state of the anti-Japanese boycott in the Far East, as seen from this country.

2. You will observe that, for the moment at any rate, the boycott appears to be weakening in Shanghai, the Philippines, the Straits Settlements and the Dutch East Indies.

3. As far as North China is concerned I understand that the anti-Japanese

¹ Mr. G. B. Sansom.

boycott has never been carried out to any serious extent and, during his recent visit to Manchuria, Mr. Gascoigne² was informed that such slight attempts as were made last year to boycott Japanese goods have now almost completely collapsed.

I have, &c.,
F. O. LINDLEY

ENCLOSURE IN No. 50

Boycott

I am informed that Japanese ships from Kobe and Osaka to Shanghai are now carrying full cargoes. The boycott is still being maintained at Canton but is evidently relaxed in Shanghai, and it seems that Chinese merchants in the Philippines, Straits Settlements, the Dutch East Indies, etc., are not being so strict as they previously were in their boycott of Japanese goods.

The difficulty of obtaining payment for goods ordered for sale to Chinese dealers still remains, but it is interesting to note that the low prices at which Japan can now offer her manufactures are tending with the lapse of time to break down the boycott. At the same time Japanese exporters recognise that the improvement may be only temporary and that boycott operations may be resumed at any moment.

I learn from Shanghai that the Japanese Commercial Counsellor there, and the Yokohama Specie Bank, have lately approached an American manufacturer's agent named Sparks (who has good connections in the United Kingdom or the United States of America) proposing that he should act as a selling agent for Japanese goods, another foreign merchant to act as importer. They hope thus to avoid the attentions of boycott groups and they would, of course, where possible import goods without marks or labels.

G. B. S.

14/11.

² Mr. A. D. F. Gascoigne, 2nd Secretary in H.M. Embassy at Tokyo, had paid a private visit to Manchuria, September 26–October 12.

No. 51

Mr. Patteson (Geneva) to Sir R. Vansittart

(Received November 19, 8.30 p.m.)

No. 405 L.N. Telegraphic [F 8090/1/10]

GENEVA, November 19, 1932, 7 p.m.

Following for Sir R. Vansittart from Mr. Seymour.

My telegram No. 403.¹

Bag which records Secretary of State's conversation with Matsuoka will not reach London till Sunday² owing to delay in air services. I therefore

¹ See No. 49, note 1.

² November 20; see No. 49.

telegraph following further extracts which may be useful in considering Sir M. Lampson's move.³

'Before leaving Matsuoka said that he wished to express thanks of his Government for admirable way in which Sir M. Lampson had handled Shanghai situation. He extolled his patience and tact and said that these services were widely appreciated in Tokyo.'

³ In a telephone message from Geneva on November 18 Sir J. Simon had asked for the considered views of Sir R. Vansittart and Sir V. Wellesley on the question of Sir M. Lampson's going to Geneva.

No. 52

Mr. Holman¹ (Peking) to Sir J. Simon (Received November 19, 5 p.m.)
No. 858 Telegraphic: by wireless [F 8082/1/10]

PEKING, November 19, 1932

Following received from Harbin telegram No. 116 of November 17th.

Begins:

Addressed to Peking No. 116, repeated by post to Mukden, Newchwang and Dairen.

Mukden despatch No. 172² of November 12th.

I have received large number of anonymous letters in Chinese alleging that, under instructions received from Changchun, students in Chinese schools, merchants and others are being forced to sign a document setting forth advantages of the new government régime and condemning findings of League of Nations Commission.

Allegation is confirmed from independent source.

¹ Mr. Holman was in charge of H.M. Legation during Mr. Ingram's visit to Nanking, November 19 to December 19.

² Not printed: a copy of this despatch to Peking was received in the Foreign Office on December 8 as enclosure in Mukden despatch No. 169 of November 12 (not preserved in Foreign Office archives).

No. 53

Memorandum by the Secretary of State for Foreign Affairs¹
[F 8097/1/10]

GENEVA, November 19, 1932

The Lytton Report, Japan and the League of Nations

(1) The Lytton Commission, appointed by a Resolution, dated December 10th, 1931, of the Council of the League, has presented a unanimous Report which comes before the Council (under the Presidency of Mr. de Valera) on

¹ This memorandum was prepared for circulation to the Cabinet, where it was discussed on November 23.

November 21st. The Report is unanimous, being signed by the American, French, German and Italian members as well as by the Chairman. It is divided into ten chapters, the first eight of which deal with matters of history and fact, while chapter IX is entitled 'Principles and Conditions of Settlement' and chapter X 'Considerations and Suggestions to the Council'. Japan applied for, and was given, time to prepare observations on the contents of the Report and these observations are being circulated before the Council meets. It may be assumed that they will strongly challenge the conclusions of the Commission. On the other hand, as the representatives of five nations, after hearing both sides and visiting the ground, are in agreement on the Report, it is difficult to suppose that the Council will reject its findings. As regards the recommendations of the Report, these take the form of suggestions to China and Japan—e.g. the granting by the Government of China of autonomy to Manchuria, the negotiation of a Sino-Japanese Treaty providing for Japan's special interests etc.—rather than of explicit advice to the Council of the League as to what it should decide to do. But the deliberations of the Council, in view of the attitude taken up by Japan, are not unlikely to result in a serious situation, and I feel that I should place before the Cabinet some information about it and indicate the course of action which may have to be taken.

(2) I will not trouble the Cabinet with questions of procedure: the complication arises because there are three bodies (i) the Council, (ii) the Committee of Nineteen, appointed by the Assembly, and (iii) the Assembly itself, all of whom will have something to say. The Report is made to the first named, and it would be possible for the Council to pass the matter over to the Committee of Nineteen forthwith. But before this happens the Japanese representative, Mr. Matsuoka, who has been sent specially from Tokio, will present the Japanese case to the Council and, no doubt, the Chinese representative will reply. After that everything is uncertain. Sooner or later the Committee of Nineteen, presided over by M. Hymans, will take the matter in hand and will presumably frame a Resolution which will be recommended to the Assembly for its acceptance. The presence of a majority of small states and the very successful propaganda conducted by the Chinese representative constitute conditions under which things are likely to go unfavourably to Japan in the Assembly.

(3) The first question is whether the Council should approve the Report, or at any rate the first eight chapters which contain conclusions of fact. These chapters give an admirable account of the quite unique character of the Manchurian controversy and lay stress on the shortcomings of China and of the absence of any settled government as a contributory cause of the Manchurian trouble. They also recognise fully the special interests of Japan in Manchuria, e.g. in connection with the South Manchurian Railway which Japan acquired from Russia. But the authors of the Report are unanimously of opinion that the explanation put forward by Japan for starting military operations, viz. the alleged blowing up by the Chinese of the railway line, is not a sufficient justification for its military activities in

Manchuria during the past year, and, indeed, the Report throws grave doubt on the Japanese version of the incident. Also, the Report reaches the conclusion that the creation of Manchukuo was not due to the spontaneous action of Manchurian inhabitants, but was due to the organised intervention of Japan. As I have said, I do not see how the Council of the League can be expected to do other than accept the unanimous Report of its own Commission who have investigated matters on the spot, and I should expect this to be the first decision reached at Geneva.

(4) But this decision, however natural in itself, brings in its train some very serious consequences. If the Commission's findings of fact are accepted, Japan appears to be responsible for a disregard of the Nine-Power Treaty, by the terms of which she along with the other signatories was bound to respect the integrity of China. This, of course, is Mr. Stimson's² view. If the truth is that Japan has deliberately promoted the creation of the new Manchurian state and has followed this up by recognising it, it is natural to contend that she has broken the Treaty. There will be those on the Council who will also contend that, on these findings, Japan has disregarded the Covenant, alleging that she has resorted to war without taking the preliminary steps to resolve her controversy with the Chinese authorities which the Covenant provides. The authors of the Report appear to desire to ward off this latter conclusion by an important paragraph in chapter IX, which runs as follows:

'It must be apparent to every reader of the preceding chapters that the issues involved in this conflict are not as simple as they are often represented to be. They are, on the contrary, exceedingly complicated, and only an intimate knowledge of all the facts, as well as of this historical background, should entitle anyone to express a definite opinion upon them. This is not a case in which one country has declared war on another country without previously exhausting the opportunities for conciliation provided in the Covenant of the League of Nations. Neither is it a simple case of the violation of the frontier of one country by the armed forces of a neighbouring country, because in Manchuria there are many features without an exact parallel in other parts of the world.'³

(5) None the less the League organs which are considering the matter will find it very difficult not to pronounce what amounts to a condemnation of Japan. Yet this may produce some very embarrassing, and even dangerous, results, for Mr. Matsuoka, the Japanese Delegate, has recently told me that if the League arrives at conclusions which conflict with Japan's sense of dignity, Japan will leave the League.⁴ Apart from the deterioration of relations with Japan which this might imply, Japan's withdrawal would be especially regrettable because the opportunities of contact with and influence over her would be seriously lessened. I do not for a moment imagine that Japan wants to leave the League, and there may be a considerable element of bluff in the warning I have received, but it makes it very necessary to act with extreme caution.

² U.S. Secretary of State. Cf. Volume X, No. 697.

³ *Note in original*: 'Lytton Report—page 126.'

⁴ See No. 49, enclosure.

(6) Another issue which is likely to be raised is that of a League declaration refusing to recognise the acceptance of the State of Manchukuo. Last March the League, endeavouring to put itself in line with Mr. Stimson, adopted a Resolution:⁵ 'That it is incumbent upon the members of the League of Nations not to recognise any situation, Treaty or Agreement which may be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris'. That, however, was an abstract declaration, whereas the attempt will now be made from some quarters to apply it specifically to the findings of the Lytton Report. Recognition is not a right which any new State may claim; it is a privilege which existing States may confer on the newcomer. But it is also a convenience to both sides, and I should hesitate very much, whatever may be the rights and wrongs of the origin of Manchukuo, to pledge the British Government to all eternity never to recognise the new State if it becomes definitely established, notwithstanding its illegitimate [*sic*] origin. At any rate, indefinite non-recognition is a practical policy only if all other States do the same, and there are States outside the League interested in trade with Manchukuo who would not be bound by a League Resolution.

(7) Lastly, there is the question whether there is anything which the League can properly do or suggest to promote a reconciliation between China and Japan or to establish a compromise in regard to Manchuria. It has been suggested that though the League can do nothing directly, it might invite the Powers with special interests in the Pacific (including the United States, Soviet Russia and Germany) to organise a Conference to consider the future of Manchuria. This is much the kind of proceeding which is contemplated in the Nine-Power Treaty in case of trouble arising affecting China and involving the Pacific Powers. While there may be no objection to this course in principle, I am disposed to think that Japan will decline to have anything to do with it on the ground that she has done nothing wrong and that there is nothing to investigate and I suspect that the United States would much prefer to disclaim responsibility by leaving the League of Nations to grasp the nettle itself and then bewailing the ineffectiveness of Geneva if a League of Nations solution is not forthcoming.

(8) In these difficult circumstances it seems to me that British policy must keep in mind the following *desiderata*; though it will be difficult to pursue them all at the same time. We ought to act as a loyal member of the League and avoid, as far as possible, bringing down on ourselves the condemnation which would attach to isolated or prominent individual action. It is impossible to abandon loyalty to the League and its principles merely because Japan would prefer this: we must explain to Japan that the course we take is *pro* League and not *anti* Japan. Even if other considerations did not compel this course, we have to remember the serious consequences to our trade of antagonising China. In fact, we must

⁵ On March 11, 1932; printed in *L.N.O.J.*, *S.S. No. 101*, pp. 87-88. Cf. Volume X, No. 71.

strive to be fair to both sides. But we must not involve ourselves in trouble with Japan.⁶

J. S.

⁶ An *aide-mémoire* based on this memorandum was sent to the Australian Resident Minister and New Zealand High Commissioner in London on November 24; cf. Nos. 58 and 63 below.

No. 54

Sir R. Vansittart to Mr. Patteson (Geneva)

No. 564 Telegraphic [F 8090/1/10]

Immediate

FOREIGN OFFICE, *November 20, 1932, 1 p.m.*

Your telegram No. 405¹ and despatch No. 327.²

Following for Secretary of State from Sir R. Vansittart.

Visit of Sir Miles Lampson to Geneva was discussed with him some days ago. He strongly deprecated the suggestion on the ground that it might seriously affect his position when he got back to China. It would be very difficult for him to keep the keel even and he would almost inevitably be drawn into a position which would give offence to one side or the other, if not both. While perfectly ready to go if you wish it, he is strongly of opinion that it would be unwise, and [that]³ he, of all people, should be kept out of the discussions there.

I have since received your memorandum of November 18th,⁴ but I do not think it affects the foregoing view. We were already aware that Sir M. Lampson's services at Shanghai were appreciated by both parties: and an additional tribute to them now can hardly outweigh Sir M. Lampson's consideration of his future position and utility in China. (He is not due to start back till December 16th). I feel also that after the tone taken by Matsuoka in the interview, it would not be unnatural that he should try to find something agreeable for the end; and that therefore a possibly perfunctory observation would not be enough to set against the conclusion at which you and I had arrived before we knew Sir M. Lampson's confirmation of it.

¹ No. 51.

² No. 49.

³ This word was in Sir V. Wellesley's minute of November 18 recording his conversation with Sir M. Lampson. The minute concluded: 'There is a great deal of force in Sir Miles's views and, personally, I share them.'

⁴ No. 49, enclosure.

No. 55

Mr. Patteson (Geneva) to Sir R. Vansittart
(Received November 22, 9.30 a.m.)¹

No. 407 L.N. Telegraphic [F 8117/1/10]

GENEVA, November 22, 1932, 9.30 a.m.

Following from Mr. Cadogan.

Council today² heard statements of Japanese and Chinese representatives.

Copies³ go to you by bag.

Japanese will speak again at Council meeting on the afternoon of November 23rd.

¹ Times of receipt and despatch identical, as on filed copy.

² i.e. November 21, the date on which this telegram was drafted.

³ Not printed. For the Japanese and Chinese statements on November 21 see *L/N.O.J.*, December 1932 (Part I), pp. 1871-90. Cf. No. 75 below, enclosure.

No. 56

Mr. Patteson (Geneva) to Sir R. Vansittart
(Received November 23, 11.45 a.m.)

No. 409 L.N. Telegraphic [F 8230/1/10]

GENEVA, November 23, 1932, 11.55 a.m.

Following for Sir R. Vansittart.

Your telegram No. 564.¹

I appreciate the considerations you have set forth and will not ask Sir M. Lampson to come here at present. A serious situation may however develop here and necessitate use of all possible resources. In such an event it might be necessary for me to require the presence of Sir M. Lampson in spite of disadvantages to which you refer. There will however be an opportunity to discuss the matter in London before date fixed for Sir M. Lampson's departure.

¹ No. 54.

No. 57

Sir F. Lindley (Tokyo) to Sir J. Simon (Received November 23, 9.30 a.m.)

No. 395 Telegraphic [F 8176/1/10]

TOKYO, November 23, 1932, 12.15 p.m.

Very confidential

An Englishman long resident here called last night on a . . . (? Military Attaché)¹ who has no doubt of his bona fides and stated he had been

¹ The text was here uncertain. The corresponding passage in Sir F. Lindley's despatch No. 657 of December 9 (received January 6, 1933), sent 'in amplification of' telegram No. 395 read: 'On the afternoon of November 22nd a British subject named Mr. Bird, who has been in Japan for about twenty years as a professor at Waseda University, called on Mr. Davies, Japanese Secretary to this Embassy, whom he had known for some time.'

commissioned by most important people in Japan to request most confidentially the assistance of His Majesty's Government in saving from massacre 200 Japanese now held prisoners in Manchuli and Hailar by insurgent General Su Ping-wen.²

Military Attaché³ states that General Staff are very anxious about safety of prisoners and are delaying operations against Su Ping-wen in hope of coming to an arrangement. If hope is abandoned operations will be begun and prisoners left to take their chance.

It is known that Su Ping-wen is in constant communication with Young Marshal and I fear that if prisoners are massacred Young Marshal will be held responsible and may (? attack)⁴ forthwith. Apart from humanitarian grounds it is therefore to our interest to avoid massacre which will cause genuine outburst of indignation here.

I venture to suggest that an appeal might be made on purely humanitarian grounds to Young Marshal or possibly His Majesty's Consul-General at Harbin might get into touch with General Su Ping-wen. It may be worth recalling that Japanese military authorities were of real assistance in Mrs. Pawley case⁵ and our help now would certainly have a very good effect here.

If anything is done it is important that Japanese invitation should not be disclosed.

Repeated to Peking.

² General Su Ping-wen, commanding the police forces on the Harbin-Manchuli section of the Chinese Eastern Railway, had revolted on September 27, imprisoned all the Japanese in his area, and declared his allegiance to Marshal Chang Hsueh-liang, the Young Marshal, who was acting (for General Chiang Kai-shek) as chairman of the Hopei branch of the Nanking Military Council.

³ Colonel E. A. H. James.

⁴ A note on the filed copy suggests that this should read: 'be attacked'.

⁵ Cf. No. 7.

No. 58

Sir R. Vansittart to Mr. Patteson (Geneva)

No. 569 Telegraphic [F 8097/1/10]

FOREIGN OFFICE, *November 23, 1932, 5 p.m.*

[Following for the Secretary of State]

At the Cabinet today the Secretary of State for Dominion Affairs¹ pointed out that while you would presumably keep representatives of Dominions at Geneva informed of your attitude on Lytton report Australian and New Zealand representatives were not at Geneva. Cabinet authorized Mr. Thomas to speak to Mr. Bruce² and Sir T. Wilford³ on lines of your memorandum⁴ without showing it to them or using its precise language, and Mr. Thomas would like you to know that he is acting accordingly.

¹ Mr. J. H. Thomas.

² Australian Resident Minister in London.

³ New Zealand High Commissioner in London.

⁴ No. 53.

Mr. Holman (Peking) to Sir J. Simon (Received November 24, 9.30 a.m.)
Nos. 868 and 869 Telegraphic: by wireless [F 8209/283/10]

PEKING, November 23, 1932

My despatch No. 1332.¹

Question of payment by foreign firms at Hankow of business tax has recently become more acute.

His Majesty's Consul-General reports November 17th that acting on instructions from Nanking local courts have refused to continue hearing of a case in which a British firm are suing a Chinese citizen on the ground that firm had not paid tax. Judge stated that similar instructions had been given to all Chinese courts in Nanking and Shanghai. In view of the fact that numerous other cases are pending in which British firms are plaintiffs His Majesty's Consul-General Hankow has lodged an emphatic protest with local authorities and has informed his consular colleagues in accordance with agreement² come to by consular body (see postscript to my despatch under reference).

Note dated October 30th has been received by this and other Legations from Minister for Foreign Affairs asking that we should instruct nationals to comply with regulations and pay tax (see my despatch No. 1495).³

Note states that tax is to remedy deficits caused by abolition of Likin⁴

¹ This despatch of October 18 was not received in the Foreign Office until December 7. Mr. Ingram reported therein on the recent request by the Hupeh Provincial Government for the immediate payment by British subjects of the Business Tax (which had been adopted by the Chinese Legislative Yuan on June 6, 1931) and said he proposed, subject to instructions, not to discourage any arrangement for voluntary payment which British firms might consider to be in their own interest, provided that such taxation was also genuinely collected from the Chinese. A translation of the revised Business Tax Regulations was enclosed in the despatch.

In an earlier despatch (No. 1047 of August 15, 1932, received October 4) Mr. Ingram had said: 'Generally speaking, till the other day, when the levy of this tax on foreigners was again threatened at Hankow, the Chinese authorities have not made any serious attempt to collect the tax from foreign firms for a year or more . . . the tax was, in its inception, intended to be a form of income tax based on the capital, the profits, or the turnover, of business concerns trading in China, calculated at various percentages according to different trades, though the provisions of the Regulations enforcing it were in many particulars obscure and unreasonable.'

² This Agreement had been formulated at a meeting of the Consular Body at Hankow on October 14.

³ This despatch of November 17, not printed, was received on January 6, 1933.

⁴ A marginal note on the filed copy here reads: 'Compare W.C.P. note of 6/6/31 in F 3982/2/10.' The reference is to a note dated June 6, 1931, from the Waichiaopu, relating to the proposed collection of the Business Tax in the Province of Hupeh (a copy of this note was received in the Foreign Office on July 18, 1931, as enclosure in Peking despatch No. 912 of June 27, 1931). It included the following: 'The tax was designed to meet the losses occasioned by the abolition of likin, and is not inconsistent with the general principles of taxation; it is convenient and beneficial both to the national exchequer and to the mercantile world, and it treats Chinese and foreign merchants on an equal footing.' Likin, an internal transit tax, and other internal dues on imports and exports, had been abolished by the Chinese National Government as from January 1, 1931.

and that it is put into practice in various localities without discrimination between Chinese and foreigners and that as foreign merchants trading in China receive protection of laws of China it is only fair that they should pay tax.

In answer to enquiries from American and French Legations as to the attitude of this Legation towards this question I have caused them to be informed that speaking generally His Majesty's Government considered this taxation should be resisted if possible but that if Chinese pushed the matter to extremes we should advise our Nationals to pay voluntarily making best terms possible with local authorities. Until your instructions were received, however, it was not possible for me to say what our future policy would be and in the meanwhile I proposed merely to send a temporizing reply to Minister for Foreign Affairs saying that the question of Hankow regulations had been referred to His Majesty's Government (this reply has now been sent).

American view coincides with ours but French who are prepared to resist any attempt to collect tax either from their own Nationals or from Chinese in their concessions at Hankow would like us to take a stiffer attitude and make it clear that no attempt to levy this tax on our Nationals will be tolerated. Having their own concessions they are less vulnerable than we are. It is difficult to say how far Chinese themselves are being made to pay it at Hankow but they are certainly being hard pressed and will probably give way. Tax is said to have been farmed out at Hankow.

Question has not yet come to a head elsewhere than at Hankow but there are signs that to meet financial stringency in provinces attempts will be made to collect tax on a wider scale. Chinese have many ways of putting screw on (as now at Hankow) and it seems almost certain that our merchants, however much we may protest, will in the end find it in their own interests to come to terms.

I should be glad to have your early instructions for my guidance in dealing with this question.

Repeated to Mr. Ingram, Hankow, Nanking, copy to Commercial Counsellor.

No. 60

Sir R. Vansittart to Mr. Ingram (Nanking)

No. 92 Tour. Telegraphic [F 8176/1/10]

FOREIGN OFFICE, November 24, 1932, 2.10 p.m.

Tokyo telegram No. 395¹ (of November 23rd: Danger to Japanese prisoners held by insurgents in Manchuria).

Massacre of Japanese concerned might have serious results for China both from Japan and as affecting sympathy of outside world. We should be justified on this ground and on ground of our anxiety that general situation should not be aggravated in representing the case to the Chinese. I think

¹ No. 57.

therefore that you should speak seriously to Chinese authorities on the subject, basing yourself on contact generally known to exist between China proper and insurgents in Manchuria. I leave to you to decide in what quarter to take action. Representations to Nanking Government if sufficiently earnest, would presumably be translated into advice to the effective quarter.

Please repeat to Tokyo.

No. 61

Mr. Patteson (Geneva) to Sir R. Vansittart
(Received November 25, 9.30 a.m.)

No. 421 L.N. Telegraphic [F 8225/1/10]

GENEVA, November 24, 1932, 11.30 p.m.

Following from Mr. Cadogan.

Council heard further statements of Chinese and Japanese representatives today, after which there was some discussion whether Council were entitled to hear observations of Commission.¹

Japanese² opposition seemed to be based on fear that Commission would criticize the statements he had just made in Council. It was finally decided to ask Commission tomorrow whether they had anything to add to their report.

¹ See *L/N.O.J.*, December 1932 (Part I), pp. 1901-9.

² This presumably should have read: 'Japanese delegate's opposition'.

No. 62

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 28)

No. 626 [F 8859/39/23]

TOKYO, November 24, 1932

Sir,

I have the honour to transmit herewith a memorandum drawn up by Mr. Sansom, Commercial Counsellor to this Embassy, on the present state of the Japanese Budget for 1933-34. Although Mr. Sansom's observations and conclusions are necessarily of a tentative and somewhat speculative nature, they seem to me to be of sufficient interest to be worthy of attention.

I have, &c.,

F. O. LINDLEY

ENCLOSURE IN No. 62

The Japanese Budget for the Financial Year 1933-34

1. The Cabinet are now discussing the Budget for the coming fiscal year, which will be presented to the Diet at its next session. The discussion resolves itself into a struggle between the Finance Ministry and the remaining departments which early this month submitted estimates amounting in all to nearly 3,000 million yen, or about 1,300 million yen in excess of their original

working budgets for the previous fiscal year. It was an enormous increase, since the total budget for 1932-33, including supplementaries, was 1,927 million yen, and this latter sum was already some 250 million yen greater than the average annual budget expenditure for the preceding five years.

2. The Finance Ministry endeavoured to cut down the new demands by half, but the Ministers of other departments (notably the Navy Department, the War Department and the Department of the Interior) would not give way entirely.

3. A settlement has not yet been reached, but as matters stand at present the total estimated expenditure for 1933-34 is approximately 2,230 million yen, while the corresponding figures for previous years have been:—

	Million yen.
1932-33	1,927
1931-32	1,488
1930-31	1,610
1929-30	1,736
1928-29	1,814
1927-28	1,765

The anticipated revenue from ordinary sources is about 1,340 million yen, leaving a balance of nearly 1,000 million yen to be provided from other sources—in other words by borrowing.

4. In addition to this sum of 1,000 million yen, the Government must raise before April 1933 a sum of about 700 million yen to balance the current (1932-33) budget.

5. These figures are admittedly approximate and subject to revision, but it remains true that at present the Cabinet envisages a financial policy involving an addition to the national debt, between now and April 1934, of something like 1,700 million yen. Most parties seem agreed that, in present conditions, it would be impossible to raise the amounts required by taxation, and therefore the Government will have recourse to bond issues; but since it is extremely unlikely that the public will or can subscribe the sums needed, most of the bonds will be taken up by the Bank of Japan.

6. It is difficult to foretell the effect of this loan policy upon the national economy. It is generally supposed that, since the Bank of Japan by taking up the bonds will be establishing credits in favour of government, the convertible note issue will increase as government spends the money. This, it is argued, will cause inflation, and raise prices. I do not venture to give an opinion upon this point. I think there will be some inflation, but the convertible note issue is only one factor, and certainly there has been no inflation this year so far, though it was freely predicted. The internal debt has increased by 450 million yen since March 1931, and the external debt in terms of yen must have increased about as much, but there is no sign to date of any increase in convertible notes or in bank money. Indeed prices have risen while the convertible note issue has shown only the usual seasonal fluctuations.

7. It is therefore premature to say that the loan programme of the Government is sure to bring about inflation. Some of the revenue from loans is required by the Finance Ministry for payments abroad, owing to the fall in

yen exchange—the draft estimates show over 100 million yen on this account. Some 400–500 million yen have been or will be needed for expenses in Shanghai and Manchuria. Part of the increased estimates of the other departments (particularly Army and Navy) is doubtless needed for purchases abroad. I am not sure how this kind of expenditure affects the total of money in circulation in Japan, but I should think its inflationary effect would be relatively small. Further, judging from recent experience, it is possible that a good deal of the new money created by the issue of bonds will not stay in circulation, but will find its way back to the banks as inactive deposits.

8. All this is difficult ground, but on the whole I am inclined to think that for the present there will not be any great degree of inflation as a result of the internal loan policy of the Government. On the other hand a severe fall in the external value of the yen might force the Government to devalue and thus to expand currency. At present the yen stands at about 20 cents as against a par value of 49, and it is being supported by the Yokohama Specie Bank; but that institution cannot ‘peg’ exchange indefinitely.

9. Whatever be the position as to inflation, there is no doubt that present financial conditions are causing anxiety to the Japanese Treasury and to the financial world in Japan.

10. As was reported in His Majesty’s Ambassador’s despatch No. 499¹ of the 16th September, responsible financial authorities in Japan though they deplored the supplementary budget of September 1932, which involved borrowing 700 million yen, felt that it was justified by special circumstances. But they did not then anticipate the huge demands which would be put forward for 1933–34, and some of them do not now conceal their anxiety. Others, however, argue that Japan is in a state of emergency, calling for desperate measures, and console themselves by reflecting that Japan’s national finances are not in a worse state than those of most other countries, while her foreign trade is prospering while others’ trade is at a standstill.

11. The demands of the Ministries as reported in the press are given below:—

	1,000 yen.
Imperial Household	4,500
Foreign Office	26,600
Home Office	215,630
Finance Ministry	474,000
War Office	447,000
Navy Department	372,000
Department of Justice	34,680
Department of Education	150,960
Department of Agriculture and Forestry	117,000
Department of Commerce and Industry .	13,500
Department of Communications	349,610
Department of Overseas Affairs	27,000
Approximate total	<u>2,232,000</u>

¹ Not printed.

These figures are subject to further revision, beside being unreliable in themselves; but they give a general idea of the dimensions of the budget.

G. B. SANSOM

November 23, 1932

No. 63

Letter from Mr. Clutterbuck¹ to Mr. Orde (Received November 26)

[F 8265/1/10]

DOMINIONS OFFICE, *November 24 1932*

Dear Orde,

I enclose a copy of the aide-mémoire on Manchuria which was handed this afternoon to Shedden² and Knowles³ in the form agreed with you this morning.

Yours ever,

P. A. CLUTTERBUCK

ENCLOSURE IN No. 63

Aide Mémoire

DOMINIONS OFFICE, *November 23, 1932*

1. The statement made by the Japanese delegate at Geneva, who has been specially sent from Japan to communicate to the Council the observations of his Government on the Lytton Report, indicates that the Japanese will accept neither the findings nor the recommendations of the Report and that the maintenance and general recognition of the new régime in Manchuria is, in their view, 'the only solution possible'.

2. On the other hand, the Lytton Report is the unanimous production of the representatives of no less than five nations and the result of full and impartial enquiry on the spot. It is difficult to suppose in the circumstances that the competent League organs will feel able to do otherwise than accept its findings. In this event a serious situation is likely to arise.

3. The first 8 chapters of the Report deal with matters of history and fact. Stress is laid on the unique character of the Manchurian controversy, on Chinese shortcomings and on the absence of any settled government as a contributory cause of the present trouble. Recognition is also given to the special interests of Japan in Manchuria. But the Commissioners unanimously reach the conclusion (1) that the Japanese military operations which

¹ Mr. P. A. Clutterbuck was a Principal in the Dominions Office.

² Mr. F. G. (later Sir Frederick, and Secretary of the Australian Government's Department of Defence) Shedden had been in Geneva as adviser to the Australian delegation to the Disarmament Conference which had been adjourned on July 23, 1932 (see Volumes III and IV of this Series).

³ Mr. C. Knowles was a member of the New Zealand delegation to the Disarmament Conference.

prompted the Chinese appeal to the Council cannot be regarded as measures of legitimate self-defence (2) that the creation of the new State of Manchukuo did not arise from a genuine and spontaneous independence movement in Manchuria but was due to the organised intervention of Japan.

4. If the Commission's findings of fact are accepted, the question will arise whether Japan must not be regarded as responsible for a disregard not only of the Nine Power Treaty but also of the Covenant and the Kellogg Pact. This situation appears to have been foreseen by the Commissioners and an important paragraph in Chapter IX of the Report suggests that they were anxious that no such conclusion should be reached so far as the Covenant is concerned. The paragraph runs as follows: . . .⁴

5. It may be very difficult none the less for the League organs to frame any resolutions or recommendations in such a way as to avoid pronouncing what in effect would be a condemnation of Japanese methods. The Japanese representative has already indicated that in such an event Japan would leave the League. This may to some extent be bluff, but if the threat were carried out, the difficulties of the situation would be increased since opportunities of contact with and influence over her would be seriously lessened.

6. It may be taken also that considerable pressure will be brought to bear on Members of the League to participate in a resolution pledging themselves to refuse recognition to the State of Manchukuo on account of its illegitimate origin. This may lead to difficulty since indefinite non-recognition is not a practical policy unless perhaps all the States concerned act together and there are States interested in Manchuria which are outside the League and which would not be bound by such a resolution.

7. His Majesty's Government in the United Kingdom consider that, in these difficult circumstances, it will be desirable to act with extreme caution and, while adopting an attitude of complete loyalty to the League and endeavouring to be fair to both sides without unnecessarily antagonising either, as far as possible to concert their action with other Members of the Council and to use their influence in the direction of creating a calmer and less embittered atmosphere which alone will make progress towards a settlement possible. Such an attitude is the more necessary because of the great importance of British trade interests in Japan and their even greater importance in China.

⁴ The paragraph here omitted was identical with that quoted in No. 53, paragraph 4.

No. 64

*Letter from Sir F. Lindley (Tokyo) to Sir V. Wellesley
(Received December 29)*

[F 8885/1/10]

BRITISH EMBASSY, TOKYO, *November 24, 1932*

My dear Wellesley,

The bag goes out to-morrow and I am really at a loss to send anything which will be helpful to you or to Geneva. I feel I have said everything

there is to be said and that the outcome is in the lap of the gods. The position remains quite unchanged. The Japanese are determined to brook no interference in Manchuria and to base their policy on the recognition of Manchukuo as an independent State.

I see in this morning's paper that Matsuoka has objected to Lytton addressing the Council.¹ This is just the kind of fatuous thing Japanese delegates do. It can have no useful result and will merely aggravate the position. It is unfortunate from our point of view that we again have an Englishman in the forefront of the battle though he does not represent His Majesty's Government. My own belief is that the Japanese delegation will walk out of Geneva before the proceedings are terminated. Having exhausted their arguments without avail, I fear they will prefer to be absent if there is any expression of disapproval of their action by the League. I have warned them in private conversations continually that, personally, I did not see how some expression of disapproval is to be avoided; since the League are bound to accept the verdict of their own Commission. I have done this in order to prepare their minds, since they are so obsessed with the justice of their case that they are unable to understand any point of view but their own.

The above does not mean that Japan will necessarily leave the League, although that also is a possibility with which we must reckon. She certainly does not want to leave it; but the Military Party is still in a position to get up such an agitation here that the Government will feel obliged to bow to it. What exasperates the ordinary Japanese most is that the fate of his country should be decided to some extent by the opinion of small European countries who have no interest in or knowledge of the Far East. This is no doubt the aspect of the League to which reasonable Japanese object most and it will be seized upon if Japan decides to leave the League.

There is no real improvement in the relations between Japan and America. Feeling is exceedingly bad on both sides—especially amongst individual Americans in the colony. There is nothing new in this, of course, as you know better than anyone else. Ever since the Russo-Japanese War, Americans have set themselves to thwart Japan in the Far East and Japan thoroughly realises the fact.

The next few months will certainly be anxious ones out here. I only wish I could be of more use to my country than I am.

Excuse the mistakes made by the shorthand writer.² Yrs ever

F. O. L.

Best wishes for Xmas & the New Year.

¹ See *L.N.O.J.*, December 1932 (Part I), pp. 1900-1.

² These are not reproduced here: the text as printed embodies Sir F. Lindley's manuscript corrections.

*Mr. Ingram (Nanking) to Sir J. Simon
(Received November 25, 3.55 p.m.)*

No. 400 Tour. Telegraphic: by wireless [F 8257/1/10]

Immediate

NANKING, November 25, 1932

Acting chairman of Executive Yuan summoned myself and my American, French, Italian and German colleagues to meet him and Minister for Foreign Affairs this morning.

(2) He said Japanese were spreading reports at Geneva that direct negotiations were proceeding between China and Japan on the Manchurian issue. He asked us to inform our respective governments that while China was still in diplomatic relations with Japan and was naturally prepared to listen to anything Japan said to her through this medium there was no truth whatever in the above reports. China had referred Manchurian dispute to the League and hoped and expected that solution would be found there. For him to do otherwise would be to render Geneva deliberations academic. China was quite agreeable to question being dealt with by committee of nineteen.

(3) If no solution were found at Geneva Dr. Sung maintained that prospects for the future would be dark. He did not see how present state of undeclared war in Manchuria could fail to develop into a direct conflict somewhere else as had occurred at Shanghai. If Geneva failed neither he nor Minister for Foreign Affairs could see how China could gain anything by direct negotiations with Japan as there would then be no moderating influence on the latter. While it would be hopeless for China to despatch large forces to Manchuria there was danger that Japan with her economic difficulties and government controlled by military clique would take direct action elsewhere thus precipitating yet further conflict in Far East to the injury of others besides China. Finally any failure of the League to find speedy solution would involve such a weakening of that body as would cripple it in dealing with other than Japanese problems such as economic depression, disarmament etc.

Repeated to Geneva, Tokyo, Peking.

No. 66

*Letter from Mr. Clutterbuck to Mr. Orde (Received November 29)*¹

[F 8312/1/10]

DOMINIONS OFFICE, *November 25 1932*

Dear Orde,

With reference to my letter² of yesterday, I enclose, for your files, a copy of a minute recording Harding's³ interview with Shedden and Knowles, during which he handed them the aide mémoire⁴ on Manchuria.

Yours sincerely,

P. A. CLUTTERBUCK

ENCLOSURE IN No. 66

DOMINIONS OFFICE, *November 25, 1932*

Minute

Sir E. Harding saw Mr. Shedden and Mr. Knowles yesterday and explained that, in connection with the discussion by the Council of the Lytton Report, Sir J. Simon would no doubt be in touch at Geneva not only with Mr. de Valera but also with the permanent representatives of Canada, the Union of South Africa and the Irish Free State. As, however, there were no representatives of the Commonwealth of Australia or New Zealand at Geneva at present, the Government were anxious that, in accordance with the principles of consultation and co-operation in matters of importance, Mr. Bruce and Sir T. Wilford should be informed of the attitude which they intended to adopt at the Council, so far as they were able to determine it at the present stage. Sir E. Harding pointed out that the situation was full of difficulties and that it would therefore be necessary to proceed with caution. Everyone agreed that the Lytton Report was an admirable document but the Japanese had indicated that they would not accept its findings and the question would require delicate handling. He then gave Mr. Shedden and Mr. Knowles an aide mémoire (prepared in conjunction with the Foreign Office) setting out some of the difficulties likely to arise and the desiderata to be kept in mind, and asked them to communicate it to Mr. Bruce (who had asked that the position should be explained to Mr. Shedden in the first instance) and to Sir T. Wilford on his return to London.

Both Mr. Shedden and Mr. Knowles expressed appreciation of the aide mémoire which, they felt sure, would be of value to their respective chiefs. Mr. Shedden intimated that the difficulties were fully appreciated by the Commonwealth Government and, speaking personally, he could not at present see how the Council were to steer safely through the rocks ahead. Mr. Knowles said that Sir T. Wilford was at present without instructions

¹ Date of filing in the Foreign Office.

² No. 63.

³ Sir E. J. Harding, an Under Secretary of State in the Dominions Office.

⁴ Enclosure in No. 63.

from New Zealand but he had no doubt that when these instructions were received they would be to the general effect that the High Commissioner should (as in the Shanghai case) co-operate as closely as possible with His Majesty's Government in the United Kingdom.

Mr. Knowles enquired whether Sir J. Simon had held any conversation with the Japanese Ambassador prior to his departure for Geneva. He was informed in reply that, so far as was known in the Dominions Office, Sir J. Simon had had no special conversation with the Japanese Ambassador on the matter but that it was understood that Sir J. Simon had seen the special Delegate of Japan at Geneva prior to the Council meeting.

On the issue of denying recognition to the new State of Manchukuo on the ground of its illegitimate origin, Mr. Knowles enquired how this had originated. It was explained to him in reply that this was the Stimson doctrine, a general statement of which had been incorporated in the Assembly resolution of the 11th March last.

In reply to a further enquiry by Mr. Knowles, Sir E. Harding said Sir T. Wilford could rest assured that steps would be taken to communicate with Dominion Governments by telegram if developments at Geneva rendered such a course desirable. Every effort would, in any case, be made to keep Mr. Bruce and Sir T. Wilford informed as matters progressed and, if either of them, after seeing the aide mémoire, desired further explanation or discussion, he would, of course, be at their disposal.

No. 67

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 30)

No. 631 [F 8926/1/10]

TOKYO, November 25, 1932

Sir,

In my despatch No. 550,¹ Confidential, of the 13th ultimo, I endeavoured to report the reactions of the Japanese press to the Lytton Report. I have now the honour to transmit herewith a summary of the principal articles² from the vernacular press which have appeared up to date regarding the proceedings at Geneva. These articles reflect fairly faithfully true public opinion in this country and are based on a copious stream of telegrams which have been given the greatest possible prominence in the Japanese press.

2. There is one point to which the Japanese have always appeared to attach excessive importance—I refer to the supposed existence of a definite difference in the views of the major and the minor Powers at Geneva. It is belief in this divergence which is at the back of Japanese hostility to the question at issue being taken out of the hands of the Council and dealt with by the Assembly; and the Japanese fail to realise, what we believe here to be the case,

¹ No. 4.

² Not printed.

that the differences which may exist do not extend to the rights and wrongs of the case or to the principles involved, but represent rather the greater prudence shown by those Powers who have real interests at stake and upon whose shoulders would necessarily fall the responsibility for carrying out any joint action proposed by the League as a whole. It should also be added that the Japanese resent very strongly the idea that their fate should be decided by votes of countries of small importance whose interest in the question is in reality confined to the repercussion which a solution might have on their own affairs in distant Europe. It was this aspect of the matter to which Count Makino referred, as reported at the end of paragraph 11 of my above-mentioned despatch.

3. I have the honour further to enclose copy of an article² which has appeared in the November number of a new review published in Tokyo called 'Contemporary Japan'. This article was, I learn, written by Dr. Baty, the English adviser to the Japanese Foreign Office, and I think it may be taken to represent fairly the views held at the Gaimusho. The article is certainly a serious contribution to the controversy and it will be observed that it lays especial stress on the facts that China is a geographical expression and not a State and that the Lytton Commission, although actuated by the highest motives, were necessarily prejudiced from the start in favour of China.

4. As regards the policy likely to be pursued by the Japanese Government at Geneva, you, Sir, will be in a better position to judge than myself since you will have been in constant contact with the Japanese delegation. I can only say that there is no sign that the Japanese Government are weakening in their determination to stick to the policy of an independent State of Manchukuo whatever opposition may develop amongst the Powers to such a policy. Although they are obviously most anxious to remain members of the League of Nations, I do not doubt that they would prefer to quit that body rather than renounce the line which they have taken up.

I have, &c.,
F. O. LINDLEY

No. 68

Sir F. Lindley (Tokyo) to Sir J. Simon (Received November 26, 9 a.m.)

No. 399 Telegraphic [F 8261/39/23]

TOKYO, November 26, 1932, 12.47 p.m.

In assessing general position we think it easy to exaggerate economic difficulties of Japan. Whilst her position is difficult though not critical she is at present enjoying an industrial and trade boom.¹

Repeated to Nanking.

¹ Cf. No. 62, enclosure.

No. 69

Sir J. Simon to Mr. Holman (Peking)
No. 292 Telegraphic [F 8233/7/10]

FOREIGN OFFICE, *November 26, 1932, 2 p.m.*

My telegram No. 290¹ (of 25th November: relations between Dalai Lama and Panshen Lama).

Please act in accordance with last sentence.²

¹ This telegram, not printed, was a repetition to Peking of India Office telegram No. 3082 to the Government of India.

² This read: 'It appears inadvisable to press Tashi [Panchan] Lama to give immediate reply to Delai [*sic*] Lama's letter [see No. 33], though Ingram will no doubt do what he can to secure early expression of Tashi Lama's views and will continue to encourage him to return.'

No. 70

Sir F. Lindley (Tokyo) to Sir J. Simon
(Received November 28, 10.30 a.m.)
No. 400 Telegraphic [F 8270/1/10]

TOKYO, *November 28, 1932, 4.50 p.m.*

Confidential

United States Ambassador informed me today of conversations at Geneva between Mr. Norman Davis and Mr. Matsuoka and read to me draft telegram to Washington giving his views which entirely agree with those expressed by myself.¹

¹ See *F.R.U.S. Japan: 1931-1941*, vol. i, pp. 104-5, and *F.R.U.S. 1932*, vol. iv, pp. 372-3.

No. 71

Mr. Holman (Peking) to Sir J. Simon (Received November 28, 4 p.m.)
No. 877 Telegraphic: by wireless [F 8295/283/10]

PEKING, *November 28, 1932*

Following received from Hankow No. 47, November 25th.

Begins.

Addressed to Peking No. 47, repeated to Nanking for Mr. Ingram.

British Chamber of Commerce convened a special meeting to discuss business tax on November 24th [? 22nd].¹ I have been informed privately of decisions arrived at: they are

(a) tax in its present form cannot be levied equitably and should therefore be strongly opposed.

¹ The reference appears to be to a meeting of the British Chamber of Commerce Committee at Hankow on November 22. According to the minutes of this meeting, received in the Foreign Office on February 3, 1933, as enclosure in Peking despatch No. 1672 of December 22, the Consul-General, Sir M. Hewlett, 'had requested an expression of opinion from the Chamber and desired to know whether any protest which he might make to the Minister would have the full support of British merchants'.

(b) So long as tax is not applied throughout China its collection in Hankow alone places . . .² of this port at a serious disadvantage.

View was also expressed that if levy of this tax is opposed locally . . .³ dislocation of trade may result. It was hoped therefore that prompt international action would be taken by Corps Diplomatique in regard to this question.

Message ends.

Hankow have been asked for repetition of last paragraph.⁴

² The text is here uncertain. The minutes read: 'so long as tax is not applied universally throughout China its collection in Hankow would place the trade of the port at a serious disadvantage.'

³ The text is here uncertain. The minutes read: 'if British merchants in Hankow oppose the tax a dislocation . . .'.
⁴ No repetition has been traced in Foreign Office archives.

No. 72

The United Kingdom Delegate (Geneva) to Sir J. Simon
(Received November 30)
No. 335 [F 8331/1/10]

GENEVA, November 28, 1932

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the undermentioned paper.

<i>No. and date</i>	<i>Subject</i>
Communicated by Sir E. Drummond, Nov. 18.	Manchuria: record of conversation with M. Matsuoka and M. Nagaoka. ¹

ENCLOSURE IN NO. 72

GENEVA, November 18, 1932

Record of Interview

M. Matsuoka and M. Nagaoka came to see me² this morning.

M. Nagaoka said that M. Matsuoka would play the principal part as Japanese Representative for the Manchurian affair.

After some interchange of conversation, I said that perhaps I had better explain the situation from the procedure point of view, as I saw it. The Council would examine and consider the Lytton Report which had been addressed to it, since it was on the resolution of the Council that the Commission had been despatched, and the Commission, therefore, made its report to the body to which it owed its existence. If the Council found, as I hoped might be the case, that that report afforded a basis of agreement and conciliation between the two parties, then the Council would be able to pass

¹ Cf. No. 49, enclosure.

² i.e. Sir E. Drummond.

on the report with a recommendation in the above sense to the Assembly, and it was for the Assembly to confirm any recommendation made by the Council, since the Assembly was now formally seized of the whole question under Article 15 of the Covenant. If, however, the Council found that the report did not afford such a basis of agreement, then I did not think that the Council could itself endeavour to find further solutions, because if it did so it would be infringing on the competence of the Assembly, as set out in Article 15. It, therefore, could only transmit the report and the statement of the position to the Assembly, and would not be able to take further action itself.

M. Matsuoka replied that this was not at all the view which his Government took of the situation. He understood that the Council was still seized with the question under Article 11, and therefore might exercise to the fullest extent its powers under that Article, and seek agreement between the parties in any way based on the Lytton Report or otherwise. As I knew, the Japanese had never recognised the competence of the Special Assembly or of the Committee of Nineteen. He was, therefore, here to discuss the matter before the Council.

I replied that of course this was a question for consideration, but I felt sure that my point of view was correct. He must remember that, after the Chinese had asked the Council to consider the matter under Article 11, they had then placed the question before the Council under Article 15, and it was only at a later stage that they had invoked the Assembly to take the place of the Council. At the same time I understood that the Japanese fear was due to the fact that they thought that the action of the Assembly must be limited to the request placed before it by the Chinese Government, viz. that the Assembly would consider the dispute arising from Japanese aggression. I did not think that the Assembly would admit such a limitation of its competence, and obviously if a dispute were referred to a League body, it could not solely take into consideration a limited aspect of the dispute, but must deal also with all the causes leading up to it, and the circumstances surrounding it.

M. Matsuoka remarked that if this view were correct, much of the Japanese objection to the Assembly jurisdiction would be dissipated.

I replied that I was glad to hear this, but at any rate if my thesis were correct, the Council could hardly act in the way M. Matsuoka had suggested without diminishing the competence of the Assembly, as laid down by the Covenant.

M. Matsuoka promised to think over this matter.

He then said that he would like to be extremely frank with me. The Japanese people were practically unanimous on this matter of Manchuria. They felt that it was a question of life and death, and there were certain points on which it was impossible for them to yield. In particular, there were two. They could not go back on their recognition of the Manchukuo State; and secondly, they could not submit to any censure which would be hurtful to Japanese national pride or prestige. If either of these two

eventualities occurred, Japan would be bound to leave the League. He said that Japan was most anxious to work for the preservation of peace in the Far East and elsewhere, but Japan in the view of its Government had not violated either the Covenant of the League, the Nine Power Treaty, or the Kellogg Pact.

I replied that I was very glad that M. Matsuoka had been so frank. I would be equally frank on my side. I thought that it was generally recognised that Japan had very great grievances against the Chinese in Manchuria, and a strong case for action. But they had put themselves in the wrong by taking action on their own responsibility without bringing their case to the League in the first instance. If they had done so, I felt sure that a reasonable settlement could have been reached which would have given their claims full satisfaction. For instance, when the British Government decided to send a military force to Shanghai (I said that I thought that it was Shanghai, but I was a little doubtful about the exact place), they informed the League first of all,³ and this completely changed the situation. I could only regret that Japan had not done the same thing, since I believed that this was the main ground of criticism of Japan by those who supported the League. He had raised two specific points—(1) the question of the recognition of the Manchukuo state. On this I was not able to say anything since it was a matter which would be discussed on the Lytton Report; but he must be aware of the position already taken by the Members of the League, and also by the United States as regards recognition of a state which had been set up by force. A declaration had been made that Members of the League would not recognise such a state.

M. Matsuoka interrupted, and said that his contention was and would be that the state had not been set up by force.

I said that this again would have to be examined. But, passing to his second point, I would beg him to remember that on the Assembly and Council were various small Powers who had absolute freedom of speech. I had heard very disagreeable things said about my own country, and others, in the Assembly by smaller Powers, but surely Japan was big enough to ignore such expressions.

On this M. Matsuoka remarked that he had not meant statements made in discussion. He was well accustomed to a Parliamentary procedure where members addressed each other in the strongest terms; but what he had in mind was something like a vote of censure by the Assembly in [*sic*] Japan.

I said that I too hoped that a vote of censure might be avoided, and I trusted that the debate would be conducted on a high level. He had talked about the possibility of Japan leaving the League. I felt sure that this would be greatly regretted by everybody—and by no one more than myself. On

³ See *L/N.O.J.*, March 1927, pp. 292–3 for the letter of February 8, 1927, to Sir E. Drummond from Sir A. Chamberlain, Secretary of State for Foreign Affairs, informing members of the League of Nations of British policy in China and of H.M.G.'s decision 'as a precautionary measure, to send such troops to China as they were advised were required for the protection of the British community at Shanghai'.

the other hand, I must tell him quite frankly that the League stood for certain principles which it could not possibly abandon, and it would be better if the League disappeared rather than that it should give up its fundamental conception.

M. Matsuoka said that he quite understood this, and it would be sad if League principles and the necessities of Japan came into conflict. He would like to revert a moment to the original point I had mentioned, viz., the reason why Japan had not in the first place laid the question before the League. This he regarded as a psychological matter, and was due to the difference between the Japanese and European and American people. The Japanese bore grievances and insults with a smile for a far longer time than would be done by any white race; but the moment came when these grievances accumulated to such an extent that the smile could no longer be continued, and then there was an explosion, more or less unconscious. This was what had happened in the Manchurian case, and he thought it was because of this psychological difference that so much misunderstanding had arisen.

He said that I should find a fuller explanation of these reasons in the observations sent in by the Japanese Government.

I said that I understood this point of view, but it was not one which would make an appeal to smaller European states, who could not help feeling that the action taken by Japan if passed over in silence would endanger their situation vis-à-vis their larger neighbours.

M. Matsuoka remarked that even in Europe such explosions had taken place before, such as Navarino,⁴ and those which led to the murder of the Austrian Grand-Duke.⁵

I said that this was so, but it was in consequence of such incidents that the League had been founded.

M. Nagaoka said that he had remarked that I had spoken about a report by the Assembly. He assumed that this was the report under Articles 15 and 12.

I replied that this was so.

M. Nagaoka stated that it would create a very unfortunate feeling in his country if the Committee of Nineteen proceeded immediately to draft this report, under which⁶ Article 15 would not require the consent of the two parties. In his view, the Assembly was still working under paragraph 3 of Article 15, viz., conciliation, and it was not till the Assembly's efforts in this direction failed that the report could be envisaged.

I said that I agreed in substance with his theory, viz., that the final recommendations for the settlement of the dispute could hardly be made until the conciliation efforts had been exhausted; but this was a matter for further consideration.

ERIC DRUMMOND

⁴ A reference to the battle of Navarino in 1827 when British, French, and Russian fleets destroyed the Turkish and Egyptian navies.

⁵ i.e. of the Archduke Francis Ferdinand at Sarajevo on June 28, 1914.

⁶ The text here appears to be corrupt: it should presumably have read: 'which, under Article 15, would'.

No. 73

Letter from Sir V. Wellesley to Sir C. Addis

[F 8073/3142/10]

FOREIGN OFFICE, *November 28, 1932*

My dear Addis,

Many thanks for your letter of November 17th¹ about the loan to the 'Manchukuo Government' contemplated by Japan.

The matter raises delicate political points as well as the technical question of the interpretation of the Consortium Agreement. While we cannot but regard a loan of the kind contemplated as coming within the range of the Consortium Agreement so long as we look on Manchuria as part of China and do not recognise the 'Manchukuo Government', it seems clear to me that His Majesty's Government could not give their support to participation by the British group in a loan to what in our eyes is a rebel government. We are really, I think, thrown back on the academic point of the interpretation of the Consortium Agreement, in which I gather the British group are more interested than in actual participation in the proposed loan.

I confess that I have grave doubt as to the correctness of your view that the Consortium Agreement applies to a geographical area as distinct from a political entity. I should have thought it referred rather to the political entity known as China. The very fact that provinces in China were specifically mentioned implies that the Agreement would cease to apply to any such province if such province cease to be 'a province of China'. If we accepted (as of course we do not) the Japanese thesis that Manchuria is no longer a province of China, I am inclined to think that we should have to admit that the Consortium Agreement did not apply to it.

Our attitude, I think, must be that we cannot admit that the loan does not come within the Consortium Agreement but to avoid over-much insistence that it does and to avoid any actual participation in it.

I shall be interested to hear what view the other groups take of the matter.

Yours sincerely
VICTOR WELLESLEY

¹ No. 48.

No. 74

Letter from Mr. Orde to Mr. Cadogan (Geneva)

[F 8293/1/10]

FOREIGN OFFICE, *November 28, 1932*

Very secret

We think it may be useful to you to know that, as far as we can tell from the information in our possession, Mr Matsuoka's instructions as to the

¹ The formal beginning and ending of this letter are missing on the filed copy.

course which he should adopt during the deliberations of the Council and the Assembly on the Lytton Report say nothing about Japan leaving the League in certain eventualities. His statement to the Secretary of State on the subject, reported in Geneva telegram No. 403,² may therefore have been exaggerated.

Please burn this letter as soon as you have read it.

C. W. ORDE

² Cf. No. 49, note 1.

No. 75

Letter from Sir J. Pratt (Geneva) to Mr. Orde (Received December 3)¹

[F 8387/1/10]

HOTEL BEAU RIVAGE, GENEVA, *November 28, 1932*

Dear Orde,

I enclose copy of a brief which I prepared for Eden for this morning's meeting of the Council² which may be of some use to the Department. The Council meeting was a very tame affair as Matsuoka ceased obstructing & merely made his reservation. A meeting of the Committee of Nineteen has been called for Thursday³ and the date proposed for the Special Assembly is Tuesday Dec. 6. The general idea on which people are working now seems to be that the Assembly will ask the C^{tes} of Nineteen—enlarged by the addition of representatives from Russia and America—to act as a sort of committee of conciliation. This committee it is expected will not meet before January next year.

The atmosphere is much less hectic now than it was this spring or last year. The Japanese are clearly anxious for conciliation in spite of Matsuoka's idiotic preliminary bluster and no one on the Council or the Assembly—not even the extreme left wing led by Madariaga—want drastic action. Every body in fact wants conciliation except possibly the Chinese who may now possibly prove recalcitrant. It is however too early as yet to say what their attitude really is. Neither the Japanese nor the Chinese are in any hurry to lay their cards on the table. It will probably not be until the Committee of Conciliation have slogged away at them for weeks—perhaps for months—that we shall get any glimmering of the kind of settlement that may ultimately prove to be possible. It is fortunate I think that Lampson did not come out.⁴ He would have been kept hanging about interminably without coming to grips with the question at all. His presence here would have given the impression that we aspired to take the lead in solving the question—which would have been bad, and thus gradually the impression would have spread that we had tried and failed—which would have been worse.

¹ Date of filing in the Foreign Office.

² See *L/N.O.J.*, December 1932, pp. 1914–15. Mr. A. Eden (cf. No. 23, note 1) was United Kingdom substitute delegate to the Council of the League of Nations.

³ December 1.

⁴ Cf. Nos. 54 and 56.

One of the things the Japanese are saying is that no solution can be reached with China's present delegates because they represent nobody—or if they represent anybody it is Chang Hsueh-liang with whom even negotiations—much less a settlement—are impossible. It may be that these remarks are directed against Koo alone and not Yen or Kuo Tai-chi,⁵ but it may also well be that so long as Koo is chief delegate we shall be up against a deadlock.

There is very little for me to do here but I don't know whether it will be possible for me to run home & out again. I will discuss this with Cadogan but I rather think he may object!

I must close now to catch the bag

Yours sincerely

J. T. PRATT

P.S. I have just heard that the Japanese Delegation have hinted to Sugimura⁶ that if there is to be conciliation committee they would like Lampson to be Chairman of it. This would seem at first sight to contradict what I said above—but it doesn't really. If it is thought desirable that Lampson should hang about on the off chance of this suggestion materialising the *last* place he should hang about in is Geneva. The real difficulty is that one doesn't know how far Sugimura really reflects the Japanese delegation and how far he is carried away by his own optimism. Also in any case it may be months before we reach the stage of setting up the Committee and appointing its chairman!

J. T. P.

ENCLOSURE IN No. 75

GENEVA, November 27, 1932

The Sino-Japanese Dispute

The Lytton Report has been discussed at five meetings of the Council held on November 21st, 23rd, 24th and 25th. Just before the first meeting on November 21st, the observations of the Japanese Government, for which the Council had been waiting and which had been brought specially from Tokyo by Mr. Matsuoka, were circulated in the form of a printed document of forty pages.⁷ The principal points in these observations were recapitulated in the speech of the Japanese Delegate at the opening meeting on November 21st.⁸

The Japanese Delegate complained that the Report was not as full or as proper in many of its deductions and conclusions as a longer study of the problem would have produced and proceeded to criticise the Report in

⁵ Dr. V. K. Wellington Koo, formerly Chinese Assessor to the League of Nations Commission of Enquiry, had presented his credentials as Chinese Minister at Paris on October 13, 1932; Dr. W. W. Yen was Chinese Minister at Washington, and Mr. Quo (or Kuo) Tai-chi was Chinese Minister at London.

⁶ Japanese Under Secretary-General of the League of Nations in charge of the Political Section and Office.

⁷ Cf. No. 49, note 3.

⁸ Cf. No. 55, note 3.

regard to the various points where an unfavourable view of Japan's actions had been taken. Where, however, the Report was favourable to Japan, he appealed to it and made use of it as if it were a document of great authority. The principal findings to which the Japanese Delegate took exception are as follows:

(a) He denied that the actions of the military subsequent to the alleged explosion on the night of September 18th/19th, 1931, were not legitimate measures of self defence and to prove his case entered into a long argument based on the correspondence relating to the right of self defence exchanged at the time of the signing of the Pact of Paris. In particular he cited the British reservations regarding Egypt, etc., namely, '... interference with these regions cannot be suffered. Their protection against attack is to the British Empire a measure of self defence.'

(b) He denied the statement in the Report that Japanese civil and military officials conceived, organised and carried through the independence of Manchukuo.

(c) He asserted that the establishment of the State of Manchukuo was the only solution possible, and as for any alternative solution, 'we can enter into no such consideration'.

Throughout the debates the Japanese Delegate maintained the attitude that Japan had not broken either the Covenant, or the Pact of Paris or the Nine Power Treaty. He did not argue that this latter Treaty had ceased to be applicable to China, but in the 'observations' of the Japanese Government there is a passage in which it is argued that it is impossible to apply to Chinese disputes the normal 'peace machinery' as constituted at present. The 'observations' also argued that in China's present state of anarchy no solution can be reached on the basis proposed by the Commission and Japan cannot wait for a strong Central Government to be established in China in order to solve the Manchuria question. At the end of the debate the Japanese Delegate made the following emphatic declaration:

'Japan has been and is a loyal supporter of the League of Nations, and hopes to remain a loyal supporter of it if she does not find it absolutely incompatible with the existence of Japan, as well as with her great policy of maintaining and preserving peace and order in the Far East.'

The Chinese delegate in his opening statement⁸ did not either definitely accept or reject the findings of fact in the Lytton Report. He argued very strongly against one of those findings, namely, the existence of anti-foreignism in China but skilfully directed his argument against the Japanese delegate and not against the Lytton Report. At a subsequent meeting,⁹ however, he stated definitely that the Commission's findings of fact could not be disputed. As regards the conditions and principles laid down in the Report, he reserved the right to make observations later on when the matter was before the Assembly.¹⁰ He definitely accepted, however, one principle, namely that the

⁸ i.e. the 8th meeting of the League of Nations Council held on November 24, see *L./N.O.J.*, December 1932 (Part I), p. 1903.

¹⁰ *Marginal note in the original*: '(IX. P. 7)'. Cf. minutes of the 9th meeting held on December 25 in *L./N.O.J.*, *op. cit.*, p. 1913.

settlement must conform to the Covenant, the Pact of Paris and the Nine Power Treaty. He further declared that the withdrawal of Japanese troops was an essential and previous condition to a fundamental solution. This might possibly be meant as a refusal to accept the Commission's view that a restoration of the status quo was not a possible solution.

Such being the attitude of both parties, the President proposed transmitting the Report to the Assembly without any covering observations or suggestions.¹¹ The Japanese delegate then referred to the reservation previously made as to the application of Article 15 to the dispute (in regard to which a separate memorandum has been prepared) and declared that he must obtain the instructions of his Government.¹² The Council therefore adjourned till Monday, November 28th at 11 a.m.

During the debates it became evident that the question of the boycott was an important issue which would have to be considered and dealt with by the League. The Chinese delegate declared that a boycott has been and is still being maintained in China against Japan's aggression; that public organisations actively participate in it; that the Chinese Government sympathises with and countenances the boycott as a legitimate measure of self-defence which the Chinese Government could not refuse to countenance; that no responsibility attaches to the Chinese Government for its official guidance of an organised boycott of Japanese goods because every form of resistance is justifiable as legitimate self-defence; that illegal methods have been employed by the more zealous participants in the boycott but that their conduct 'might be considered as justifiable'; and finally that Japan's actions relieved China of the obligation to observe her Treaty obligations.¹³

All this was in reply to the objective account of the boycott contained in Chapter VII of the Lytton Report. 'We would express the hope', the Report stated, 'that, in the interest of all States this problem should be considered at an early date and regulated by international agreement.' It was also in reply to Mr. Matsuoka's suggestion that the boycott when it assumes an official or semi-official character should be condemned by the League of Nations and outlawed by it.¹⁴

¹¹ *Marginal note in the original*: '(IX. P. 15)'. Cf. *ibid.*, p. 1911.

¹² See *ibid.*, p. 1912. The memorandum mentioned above does not appear to have been sent to the Foreign Office; cf. Volume IX, Nos. 488, 494, and 515.

¹³ *Marginal note in the original*: '(VI. P. 17-24)'. Cf. minutes of the 6th meeting of the League of Nations Council in *L/N.O.J.*, December 1932 (Part I), pp. 1883-5.

¹⁴ *Marginal note in the original*: '(V. P. 11)'. Cf. minutes of the 5th meeting in *L/N.O.J.*, *op. cit.*, p. 1872.

No. 76

Mr. Ingram (Nanking) to Sir J. Simon (Received November 29, 5 p.m.)
No. 404 Tour. Telegraphic: by wireless [F 8345/1/10]

NANKING, November 29, 1932

Your telegram No. 92 Tour.¹

I have caused telegram to be sent through Donald² to Chang Hsueh-liang and have made desired representations by private letter³ to Minister for Foreign Affairs and verbally to Acting Chairman of Executive Yuan.

Latter listened sympathetically but made no promises since Chinese government maintain officially that Su's troops are volunteers and in no sense under their orders. I have hopes however that these representations may prove effectual.⁴

Repeated to Tokyo, Peking and Harbin.

¹ No. 60.

² Mr. W. H. Donald, an Australian citizen, was adviser to Marshal Chang Hsueh-liang.

³ In this letter to Dr. Lo Wen-kan of November 25 (copy received in the Foreign Office on January 6 as enclosure in Nanking despatch No. 160 Tour of November 26) Mr. Ingram referred to H.M.G.'s conviction that the massacre or serious maltreatment of the 200 or so Japanese who were being held prisoners in Manchuli and Hailar by General Su Ping-wen would aggravate an already serious situation and possibly lead to reprisals 'against those Chinese leaders to whom General Su is alleged to owe allegiance'.

⁴ In a subsequent interview with Mr. Ingram on November 29 (record of which was received in the Foreign Office on January 17 as enclosure in Nanking despatch No. 162 Tour of November 29) Dr. Lo referred to 'the gravest breaches of international morality' by the Japanese in Manchuria but said that 'he thought he would be able to tell me in his reply that the Chinese Government had telegraphed, or would telegraph, to the Young Marshal and General Su instructing him to refrain from extreme measures regarding these prisoners'.

No. 77

*Record of a conversation on November 28 between Sir T. Wilford
and Sir V. Wellesley¹*

[F 8338/1/10]

LONDON, November 29, 1932

Sir Victor Wellesley saw Sir T. Wilford at the Foreign Office yesterday, as arranged. Mr. Orde and I were present. Sir T. Wilford began by explaining that he had some personal acquaintance with the Far East, having more than once visited Japan, Korea and China, though he had never actually penetrated into Manchuria. As a result of the background which he had acquired in the course of these travels, and also of the study which he had since made of Far Eastern questions, he was most strongly convinced that it was to the interest not only of New Zealand but of the Empire as a whole

¹ This record was compiled by Mr. Clutterbuck.

to back Japan in the present dispute with China. His conclusion was based on two main considerations: in the first place, Japan was the strongest Power in the Far East and constituted in fact a grave military menace to the security of Australia and New Zealand. It would therefore be politic to keep on the right side of her (in the same way as it was politic for the United Kingdom, in view of her geographical position, to keep on the right side of France); secondly, Japan was our chief bulwark against what was possibly the principal danger to the world at the present time—namely, the spread of Communism. In illustration of this point, Sir T. Wilford referred to the fact that large areas of China had now ceased to be under the control of the Central Government and were becoming increasingly under Communist influence. The province of Kiangsi, for instance, could now be said to be controlled by Moscow. Furthermore, the activities of students and intellectuals in China were largely directed to the same end, and he was seriously alarmed at the possibilities: if the 400 odd millions of China were to be added to the 160 millions of Soviet Russia they would form a very formidable bloc which no Government in the world could contemplate with equanimity. After prolonged consideration therefore he had come to the conclusion that on these two grounds—(a) military menace; (b) protection against Communism, it was to the general interest, and to the interest of New Zealand in particular, to back Japan.

Sir V. Wellesley said that he sympathised, to some extent, with Sir T. Wilford's point of view, though he did not necessarily accept it. He pointed out the dangers of arriving at a hasty decision, and observed also that Sir T. Wilford, in coming to his conclusions, appeared to have done so on political grounds quite unconnected with the merits of the particular dispute between China and Japan. Sir T. Wilford admitted that this was so, but he did not think that this could be held up against him, since, after all, most Governments had to pursue a policy of 'enlightened self-interest', and it would not be unfair to say that the United Kingdom herself had done so on many occasions in the past. He enquired whether we had in fact thought out any policy for application to the present dispute. Sir V. Wellesley replied that, while there were of course a number of desiderata to be kept in mind and while the position at the moment was very open and was liable to be altered by day to day developments at Geneva, he could truthfully say that the dominating consideration in the minds of United Kingdom Ministers was that the prestige of the League must be preserved. It might be said of course that a policy of preserving the prestige of the League amounted merely to a policy of 'enlightened self-interest', in that the maintenance of the League's authority was in fact our greatest interest. But this was really not a fair argument. The dispute was one on which an appeal had been made to the League, and we intended to act as loyal members of the League and to make the preservation of its prestige the paramount consideration in our policy. Sir T. Wilford expressed some surprise at this, since, in his view, the League now had no prestige to preserve. He had read the Lytton Report from cover to cover, but this did not in any way affect his conclusions. He regarded the

Report as mere 'trimming'—i.e., it was so worded as to make it possible to argue both ways.

Sir V. Wellesley then explained that, while of course it was impossible to predict what would happen in the Committee of Nineteen, he could not himself see how the Committee could do anything else but accept the Lytton Report as the basis for their deliberations and urge the two parties to enter into direct negotiations on the lines suggested by the Commission. It seemed to him most improbable that matters would ever reach a stage where a straight vote would have to be taken between China and Japan. All Governments would surely be anxious to avoid a direct issue of that sort, and the natural tendency would surely be to keep themselves as free as possible from the details of this complicated dispute and, while insisting that no imposed solution would be satisfactory, to urge the two parties to come together in the general interest of the peace of the world. Sir T. Wilford said he hoped that this might be so, but one could never be sure how matters were going to develop. If the Assembly was to be summoned in the near future, it seemed clear that he must have definite instructions from his Government. It was of course possible that the latter might fight shy of accepting his advice and might prefer instead to instruct him to follow the lead of the United Kingdom, whatever that might be. On the other hand, he had been Minister of Defence in New Zealand² and had the reputation of being something of a specialist in Far Eastern questions, and he therefore thought it likely that his Prime Minister³ would accept his guidance. His only object in coming to the Foreign Office was to make sure that if the Prime Minister agreed that he should vote for Japan, this would not be embarrassing to the United Kingdom. Sir V. Wellesley said that, if the question were put straightly to him, he could only say that he thought that a categorical instruction of that kind might be embarrassing to Sir John Simon, and he pointed out that, while he could well understand, and to some extent sympathise with, Sir T. Wilford's motives, the real object of our policy must be to find some solution which would antagonise neither side while at the same time leaving the prestige of the League unimpaired.

Sir T. Wilford then observed that one Dominion, namely, the Union of South Africa, had virtually declared already which way she was going to vote, and he referred to Mr. te Water's speech in the Assembly in March last⁴ which, it was generally agreed, was a calculated attack on Japan and must be regarded as tying Union hands. The speech caused something of a sensation at the time, and Mr. te Water had since been the object not merely of congratulation but even of adulation by the Chinese and their sympathisers, both in Geneva and in China and other parts of the world. He had

² In 1928-9, the years preceding his appointment as New Zealand High Commissioner in London.

³ Mr. G. W. Forbes.

⁴ On March 8, 1932; see *L/N.O.J.*, *S.S. No. 101*, p. 75. Mr. C. T. te Water, High Commissioner in London, was the Union of S. Africa's delegate to the special session of the League of Nations Assembly.

in fact been inundated by eulogistic correspondence, illuminated scrolls and presentations of all sorts, and the result was that the Union were inevitably committed to voting for China. In these circumstances the United Kingdom Government might actually welcome instructions to the New Zealand delegate to vote for Japan, since one vote would neutralise the other, and the United Kingdom would then have the free hand they desired. Sir V. Wellesley resisted this ingenious argument, and pointed out again that he thought a straight vote most improbable, and the dangers of a hasty decision. On his enquiring what Sir T. Wilford's views were regarding the Nine-Power Treaty, the latter replied that the Nine-Power Treaty was not meant to apply to a situation such as existed in 1931; alternatively, if it did so apply, it would now have to be regarded as non-existent, in that it had been broken by Japan; it did not therefore come into the sphere of realities. Sir V. Wellesley pointed out that whether the Treaty had or had not been broken by Japan was really a juridical question which it was for a Court of Appeal to decide. In the present instance the League was virtually such a Court of Appeal; but, in any case, it would clearly be unfair to China to say that because Japan had broken her obligations towards her, the other Powers must be regarded as having also been released from their obligation[s]. Sir T. Wilford admitted that this was a fair point, but he said that what was wanted was not a legalistic, but a realistic, view of the position, and the plain fact was that no one could preserve law and order in Manchuria but Japan. Sir V. Wellesley replied that this might be so, but it did not necessarily follow that it was proper for the Powers concerned to recognise the Government of Manchukuo as independent from the rest of China.

In further conversation, Sir V. Wellesley and Mr. Orde suggested to Sir T. Wilford that, while there was no doubt a certain amount of Communism in China, the potentialities of the Communist movement were exaggerated. Communism was in fact quite alien to the Chinese mind, and there was no doubt that a good deal of the success achieved by Communist propaganda owed its origin to agrarian distress. Furthermore, the activities of students and intellectuals were inspired more by nationalistic and anti-foreign sentiment than by any belief in the political future of Communism as the salvation of a united China. In illustration of this argument, Sir V. Wellesley recalled the history of the Soviet connection with the Kuomintang when the latter was struggling for power in its fight against the Northern militarists. Experience then showed that the Chinese were in fact merely using the Russians for their own purposes, and when once those purposes had been secured the latter had been thrown overboard. He impressed on Sir T. Wilford that, in any case, there was no real hurry to come to a decision regarding the present dispute between China and Japan, and that by far the best course would be to wait and see how matters developed. He suggested that Sir T. Wilford might wish to express his views personally to Sir John Simon, but Sir T. Wilford replied that he knew that Sir John was very busy and that he did not think it necessary to trouble him. Finally, he agreed that, instead of telegraphing to his Government at once as he had contem-

plated, he would send them a despatch setting out his views in full and the present situation as he saw it, and thus provide them with an adequate background, in the light of which they could cable him final instructions when the need arose.

No. 78

Memorandum by Mr. Orde¹

[F 8359/1/10]

FOREIGN OFFICE, *November 29, 1932*

Manchuria

The present position as regards procedure at Geneva is shown in the attached copy of an answer by Sir J. Simon in the H. of Commons yesterday,² and by the extract from the 'Times' of today also annexed.³ We are not in a position to add anything to this information.

As regards praise of the Lytton report it is not possible to add anything to the commendation already expressed by Lord Hailsham in the H. of Lords on Nov. 2nd⁴ & by Sir J. Simon in the H. of Commons on Nov. 10th (copy attached).⁵ It would be dangerous to express approval of the concrete proposals of the Commission, since things are not likely to work out in that way. All that can safely be said is that the recommendations are useful suggestions for consideration by the League.

C. W. ORDE

¹ A note on the file records that this minute was written 'in connexion with the debate in the House of Lords' on November 29; see 86 *H.L. Deb.* 5 s., cols. 100 ff.

² Not reproduced: see 272 *H.C. Deb.* 5 s., col. 460. Sir J. Simon had announced the decision of the Council of the League of Nations, taken that morning, to transmit the Lytton Report for the consideration of the Special Assembly.

³ Not reproduced.

⁴ See 85 *H.L. Deb.* 5 s., col. 995. Lord Hailsham was Secretary of State for War.

⁵ Not reproduced: see 270 *H.C. Deb.* 5 s., cols. 535-6.

No. 79

Sir J. Simon to Mr. Holman (Peking)

No. 293 Telegraphic [F 8209/283/10]

FOREIGN OFFICE, *November 30, 1932, 6.45 p.m.*

Your telegrams Nos. 868¹ and 877² (of November 23rd: and November 28th: Chinese business tax).

Matter is essentially one of expediency, and considerations involved are well stated in Sir M. Lampson's despatch to His Majesty's Consul-General

¹ No. 59.

² No. 71.

at Tientsin No. 66 (F 4673/2/10) of July 7th,³ 1931. Apart from question of equitability of rates and assessment our main ground for objection would lie in fact, if it is one, that tax is not generally paid by Chinese. If these conditions were satisfied we should not, I think, encourage British subjects to resist, though legal principle of their non-liability could not be abandoned officially. Fact that tax, however unsatisfactory, represents an attempt to improve on *likin*, is a point which merits some consideration.

We should, I consider, protest strongly against denial of access to the courts to persons who have not paid the tax. There is no connexion between the two matters, and the instructions issued to the courts not to hear suits until plaintiff has paid the tax are grossly improper, and constitute a deliberate denial of justice for totally irrelevant reasons. It is a proceeding which cannot fail to stiffen feeling against any abandonment of our extraterritorial jurisdiction.

You will, no doubt, also represent to Chinese Government objections to the tax in so far as you consider them well-founded. Risk of being subjected to arbitrary unfair or unworkable taxation is another element in the opposition to any derogation from our extraterritorial position. It may be better not to make this point as it might be interpreted as implying some sort of promise and would in any case be of little use in staving off levy of tax. But on all grounds the Chinese would be well advised to remedy defects such as British Chamber of Commerce at Hankow allege. If the tax is farmed it would seem to be a serious additional objection as it involves danger of arbitrary proceedings by persons presumably not under direct orders of Chinese Government with so much the less opportunity for obtaining redress of grievances.

References to extraterritoriality should not be made in writing, otherwise I must leave the question of tactics to your discretion. You will, no doubt, be influenced to some extent by amount of pressure likely to be exercised by your colleagues and chances of its success.

Your despatch No. 1495⁴ has not yet reached me.

³ The copy of this despatch received in the Foreign Office on August 27, 1931, as enclosure in Peking despatch No. 1051 of July 20, was dated July 16. It included the following: 'in the last resort it will be for the firms concerned for themselves to decide in accordance with their own interests whether, in what form, and how much they should pay. The present position, under which British firms either resist or pay voluntarily Chinese taxation which cannot legally be enforced against them, may be illogical and unsatisfactory, but it is unavoidable and likely to continue until such time as British extraterritorial rights are modified or abolished by agreement between His Majesty's Government and the Chinese Government. In the meantime the best criterion to be applied in each case is the legality or otherwise of the tax in question under Chinese law and whether or not it is being generally paid by Chinese.'

⁴ Foreign Office telegram No. 85 of January 26, 1933, sent to Sir M. Lampson at Peking after receipt of Peking despatches Nos. 1332 and 1495 (cf. No. 59, notes 1 and 3) confirmed the instructions contained in telegram No. 293 above, 'namely that you should treat the matter as one of expediency, and that while objection to the tax should be maintained in principle, British firms should be privately advised as a last resort to make some sort of compromise arrangement with the local tax authorities provided the tax is genuinely collected from the Chinese and is being enforced without discrimination'.

No. 80

Note communicated by the French Ambassador¹

[F 8362/3142/10]

AMBASSADE DE FRANCE À LONDRES, 30 novembre, 1932

Le Représentant à Londres du groupe japonais dans le Consortium chinois aurait annoncé à Sir Charles Addis que des négociations auraient été engagées entre le Manchukuo et un groupe japonais pour un emprunt de trente millions de yens, qui, de l'avis de Tokyo ne rentre pas dans le cadre du consortium en raison de l'indépendance du Gouvernement Mandchourien et de sa reconnaissance par le Gouvernement chinois.² L'interprétation japonaise du contrat du Consortium n'est pas admise en ce sens que ce contrat s'applique à toute la Chine, la Mandchourie comprise. L'Ambassadeur de France est chargé de s'enquérir de l'avis du Gouvernement britannique quant à cette affaire.

¹ A note on the filed copy by Sir V. Wellesley reads: 'Left with me by French Ambassador. I have answered this verbally & nothing further is required. V.W. 30/11/32.' Cf. No. 73.

² A pencil note on the filed copy here reads '? japonais'.

No. 81

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 1, 9.30 a.m.)

No. 402 Telegraphic [F 8348/8348/10]

TOKYO, December 1, 1932, 12.55 p.m.

My despatch No. 423.¹

Today's official gazette contains notification of opening of Japanese Embassy in Manchuria from today and appointment of General Muto as Ambassador Extraordinary and Plenipotentiary.

Repeated to Peking.

¹ In this despatch of August 15 (received September 22, not printed) Sir F. Lindley referred to his despatch No. 413 of August 1 (Volume X, No. 570) and reported the installation on August 8 of General Muto as Japanese Envoy Extraordinary and Plenipotentiary. He said: 'The official announcement of the appointment appeared in the "Gazette" of the following day, but no reference is made to Manchuria or the State of Manchukuo. General Muto was in addition appointed Governor of Kwantung and Commander-in-Chief of the Japanese forces in Kwantung.'

No. 82

Mr. Patteson (Geneva) to Sir J. Simon (Received December 1, 4.20 p.m.)
No. 427 L.N. Telegraphic [F 8361/1/10]

GENEVA, December 1, 1932, 4.10 p.m.

Sino-Japanese Dispute.

Committee of Nineteen met this morning¹ and decided to convene Assembly for December 6th.

Committee considered letter from Chinese delegate recalling that at the meeting of Committee of Nineteen on October 1st the President had foreseen immediate fixing of time limit for a decision in the present dispute after receiving questions from Council. As however Council refrained from expressing any opinion on Lytton Report or Japanese and Chinese statements Committee decided to reply to Chinese delegate that they had no basis on which to propose time limit until Assembly had opened debate on the substance of dispute.

¹ For the minutes of this meeting see *L/N.O.J., S.S. No. 111*, pp. 18-21.

No. 83

Sir J. Simon to Mr. Ingram (Nanking)
No. 95 Tour. Telegraphic [F 8231/1/10]

FOREIGN OFFICE, December 2, 1932, 6 p.m.

My telegram No. 216¹ (of 27th September: reduction of Shanghai garrison).

Owing to indifferent and expensive nature of quarters at Shanghai, lack of recreational facilities, and separation from families involved, Army Council desire to withdraw to Hongkong one or both battalions now in Shanghai at earliest suitable opportunity. Lease of one hutted camp expires in 1934 and cannot be renewed except at exorbitant rental, while Municipal Council have withdrawn offer of alternative site. Strategical objections also exist to retention of garrison at Shanghai. Army Council are anxious for early decision before framing 1933 estimates which would involve providing suitable accommodation at Hongkong.

Please telegraph your observations² after consultation with Commander-in-Chief.

¹ Volume X, No. 716.

² Mr. Ingram's reply in Nanking telegram No. 425 Tour of December 13 has not been preserved in Foreign Office archives. According to the docket, it reported that both Mr. Ingram and Sir J. Brenan saw no objection to the withdrawal of one battalion but considered it advisable not to take any decision regarding the second battalion until the Sino-Japanese situation had become more settled. Mr. Ingram has 'discussed matter informally with his French and United States colleagues who both agree that there should be no question of total withdrawal without consultation between respective governments'.

Mr. Ingram (Shanghai)¹ to Sir J. Simon (Received December 3, 5 p.m.)
No. 411 Tour. Telegraphic [F 8397/451/10]

SHANGHAI, December 3, 1932²

Mr. Maze³ tells me that after eleven years without leave he feels he must try and get home for a spell next year and he is contemplating asking Minister of Finance's permission for three to four months absence. He has arranged with Kishimoto, Japanese Chief Secretary, that latter should proceed on leave simultaneously thus avoiding difficulty of Japanese claim to act for him.

To tide over the interim he suggests putting Inspector-Generalship into Commission by appointing his English and Chinese Secretaries (Wright and Ting) to sign for him on some precedent dating back to Hart's time.⁴ He has in mind Lawford⁵ for his ultimate successor but on my enquiring why he would not use this opportunity of trying him out he replied Minister of Finance kept harping on . . .⁶ necessity at the moment for no change and desire for avoiding anything which would raise the issue of Inspector Generalship of Customs. This is probably true as we know the Japanese are after it.

I have told Mr. Maze that in my view it would be a grave mistake with the present Nationalist régime in power to adopt temporary expedient he has in mind. It will pave the way to dual control as in postal and salt administrations which in turn devolves rather sooner than later into complete Chinese control. I doubt whether such an idea has yet entered into the heads of the Chinese Government and I think it would be a mistake to put it there . . .⁶ Mr. Maze's proposition cannot be put forward . . .⁶. I have put above arguments to Maze adding that while I fully appreciate and sympathize with his desire for home leave I look to him both to train up a suitable British successor and to make no arrangements to tide over any absence of his on leave which will prejudice future Inspector Generalship of Customs as a British prerogative.

It is quite likely that Minister of Finance will refuse to grant him leave but nevertheless if you share these views it might be useful if they could be communicated to him through Walsham⁷ as considered view of Foreign Office.

Repeated to Peking.

¹ Mr. Ingram had left Nanking for Shanghai on November 29; he returned on December 6.

² The time of despatch is not recorded.

³ Sir F. Maze, Inspector-General of the Maritime Customs Administration in China.

⁴ Sir R. Hart had been Inspector-General 1865-1911; cf. Volume VIII, No. 1 (p. 22).

⁵ Commissioner of Customs at Shanghai.

⁶ The text is here uncertain.

⁷ Mr. P. R. Walsham, London Secretary of the Chinese Maritime Customs.

*Memorandum by Sir J. Pratt respecting the Sino-Japanese Dispute.*¹

[F 8494/1/10]

GENEVA, December 3, 1932

1. The present position is that the Assembly will meet on Tuesday² at 11 a.m. I am informed by the Secretariat that Dr. Yen³ will state the Chinese case but beyond that everything is fluid and uncertain. The Japanese delegate will probably ask for time in which to reply in which case the real discussion will not begin before Wednesday.

2. The Japanese attitude is that the Assembly should endeavour to settle the dispute by methods of conciliation under paragraph 3 of Article 15. There are many indications that the very unyielding attitude adopted by Mr. Matsuoka on his first arrival was to a large extent bluff and that the Japanese are prepared to make considerable concessions in order to reach a settlement by consent. They are very anxious to enter into direct negotiations with the Chinese but they have not indicated in any way the nature of the concessions they are prepared to make. They are very anxious to avoid any open or final break with the League; nevertheless it seems probable that if the Assembly adopts a Resolution censuring Japan or endeavouring to *impose* a settlement on the Parties the Japanese delegates will withdraw from the Assembly.

3. The general opinion in the Assembly will probably be in favour of attempting to effect a settlement by conciliation. The views of the left wing of the Council and Assembly are believed to be considerably more moderate than they were six months or a year ago. The Assembly will probably wish to adopt the Lytton Report so far as it consists of findings of fact—namely the first eight chapters: in this we must, of course, concur. Difficulties however will begin to arise if, as seems probable, a demand is pressed that something should be said with regard to recognition. Quite clearly we should resist any wording which implied that the members of the League must never recognize Manchukuo to the end of time. We should also use our influence to prevent any statement about recognition being so worded as to imply a censure on Japan. We can argue that so long as our aim is conciliation that aim can only be frustrated by censuring one of the parties. In the unhappy event of conciliation finally breaking down then it will be time to consider whether any censure should be pronounced on *either* of the parties and what form it should take. In the meantime the question of recognition is not really an immediate issue for the League because conditions in Manchukuo do not in fact satisfy the conditions which have to be satisfied before a new State—in accordance with the ordinary doctrines of international law—can receive recognition. This conclusion clearly emerges from the facts stated in the Lytton Report and it is strongly reinforced by all

¹ A copy of this memorandum was received in the Foreign Office on December 7.

² December 6.

³ Cf. No. 75, note 5.

the reports which have reached His Majesty's Government since the Lytton Commission completed their Report. So long as these conditions subsist there can be no question of recognition. Our immediate task therefore is not to pronounce academic judgments on the question of recognition but to see whether, as suggested in the Lytton Report and in the spirit of that Report, it is not possible out of the present régime to evolve some new régime which can be recognized without injury to the fundamental principles of the League of Nations.

4. There is still great uncertainty as to what form proposals for conciliation will take or from what quarter they will proceed. Sir Eric Drummond's original suggestion⁴ was that the Assembly might adopt the first eight chapters of the Report and then, on the ground that the Powers principally interested in Manchuria, namely Russia and the United States, are not members of the League refer the Lytton Report proposals to a further conference of the Parties to the Nine Power Treaty plus Russia. It is now believed that Japan will object to any conference called under the Nine Power Treaty and an alternative plan which is now talked about is to add a Russian and an American representative to the Committee of Nineteen and to constitute this body a Committee of Conciliation. It seems unlikely however that this or any other plan will take definite shape until the discussions in the Assembly have proceeded a considerable way.

5. The attitude of the Chinese is somewhat ambiguous. In conversations with Mr. Ingram they have shown an inclination towards entering into direct negotiations with Japan—provided neutrals are present—but at Geneva they have preferred not to show their hand merely maintaining the attitude that it is for the League to call a halt to Japanese aggression. After the most appropriate method of conciliation has been found the peculiar psychology of both Chinese and Japanese will no doubt give rise to further difficulties before both parties can be brought together in direct negotiations, but no useful purpose would be served by anticipating these difficulties at the present stage.

6. As regards the policy which His Majesty's Government should adopt, it would seem preferable that the British representative should avoid taking a prominent or a leading part. He will have to speak in the course of the debate before the Assembly but it would be better, if possible, to reserve this speech until some concrete proposal is taking shape and then endeavour to throw his influence on the side of moderation and conciliation. At this stage it might be possible, for example, to make effective use of the material contained in paragraph 3 above. At whatever stage the British Representative speaks in the Assembly the public will expect a clear statement of the policy of His Majesty's Government. The points which the speech should bring out would seem to be as follows:

(1) His Majesty's Government desire first and foremost to act as a loyal member of the League and they will therefore oppose any proposal, from whatever quarter it may come, that is in conflict with the fundamental principles of the League.

⁴ See No. 37.

(2) His Majesty's Government favour the acceptance by the League of the findings of fact in the Lytton Report: they also favour the adoption by the League, in their search for a solution, of the spirit underlying the suggestions in the last two chapters of the Report even if it should be found that the suggestions themselves cannot be put into practice without considerable modification; that is to say the League should concern itself rather with finding means to avoid future disputes than with fixing responsibility for past disputes and its efforts should be practical efforts at conciliation.

(3) His Majesty's Government are prepared to support and play their part in any proposals of this nature that may take practical shape in the course of these discussions; and so long as there is any prospect of a successful issue to these practical efforts at conciliation, His Majesty's Government think that it would be wise policy to avoid speaking harsh words of either side, but to concentrate on inducing them to enter into friendly negotiations, in the spirit of the Lytton Report, with a view to evolving out of the present regime in Manchuria a new regime that shall take account of the rights and interests of both parties, of the Powers principally interested in the Far East and of the fundamental principles of the League of Nations. It may be necessary in this connection to say something on the question of recognition on the lines of paragraph 3 above.

(4) It may be desirable to conclude the speech by a statement that so far as His Majesty's Government may be said to have any separate policy of their own in this matter that policy is, in addition to supporting and cooperating with the League as above, to maintain their traditional friendship with both parties to the dispute and to do their utmost to restore harmonious international relations in the Far East.

J. T. PRATT

No. 86

Mr. Ingram (Shanghai) to Sir J. Simon (Received December 6, 5.30 p.m.)
No. 412 Tour. Telegraphic: by wireless [F 8482/1/10]

SHANGHAI, December 5, 1932

Your despatch No. 798¹ of September 29th just received.

Please see Tokyo despatch No. 598² November 9th in this connexion. Although Sir F. Lindley's arguments do not apply in their entirety to Chinese government inasmuch as fatal shot was almost certainly fired by Chinese I fully associated myself with the rest of his remarks and particularly with those contained in paragraph 4 and first part of third paragraph.

2. I strongly deprecate going hat in hand to Chinese Government and asking them to make an ex-gratia payment so long after the event and also at

¹ Not printed. This was a repetition to Peking of Foreign Office despatch No. 623 to Tokyo; cf. No. 41, § 1.

² No. 41.

the moment when we are on the point of presenting to them list of Shanghai claims. In particular it seems to me invidious to base request on value of our intermediary action. Such an assertion would certainly be received with some cynicism by Chinese and in any case if it is applicable to the case of the two sailors it should be equally so to claims as a whole; yet I imagine His Majesty's Government would not be prepared to use it in the latter connexion.

3. We are continually pressing Chinese Government with very limited success on behalf of more deserving and legally stronger cases such as arrears of payment to ex-employees of China Merchants Steam Navigation Company, various Chinese railways, etc. and it weakens our hands in dealing with those cases to have to ask for ex-gratia payments in cases where liability of Chinese Government is at best uncertain.

4. I cannot help feeling that whole proposal is undignified and that it should be dropped but that if His Majesty's Government feel they have a just claim in international law in respect of sailors it should be put forward in the same manner and at the same time as other Shanghai claims and take its chance with the rest.

5. I request early instructions as I wish to present Shanghai claims on my return to Nanking.

Repeated to Tokyo.

No. 87

Mr. Ingram (Shanghai) to Sir J. Simon (Received December 6, 5.30 p.m.)

No. 413 Tour. Telegraphic: by wireless [F 8484/451/10]

SHANGHAI, December 5, 1932

I find an undercurrent of nervousness here as to future of customs. This is doubtless due in part (a) to rumours circulating as to Inspector General of Customs' intentions for the future—see my telegram No. 411¹—(b) to growing realisation that position of Inspector General of Customs has materially altered under Nationalist régime though extent to which his control over actual customs funds has dwindled is probably not yet widely appreciated—see my despatch No. 1333² of October 18th, (c) to apprehensions that owing to number and influence of American advisers in various branches of the government the customs may get into the hands of Americans whose general standards, theories and methods are mistrusted.

2. I have been allowed to see in strictest confidence figures of customs returns and expenditures for first eleven months of this year. These show that when all domestic and foreign obligations and cost of administration have been met a sum of 25,000,000 taels has been available for general purposes of Minister of Finance.³ Thus, despite Shanghai incident, loss of Manchurian

¹ No. 84.

² Received December 8, not printed.

³ A marginal note on the filed copy here read: 'British & U.S.A. indemnities, which have been suspended, wd. take about Sha[nghai] Taels 13,000,000.'

revenue and increase in tariffs, financial position seems sound though it must be admitted that certain contingent liabilities (e.g. likin clauses) arising from negotiation of railway agreements are not being met. Loss of Manchurian revenue has been nearly offset by resumption of revenue from Canton. There is however likely to be a general decrease of 63,000,000 taels for 1932 as against 1931 and this is as much due to general decline in volume of trade as anything else. Full effect of increased tariffs however cannot yet be gauged.

3. As to the future we have never been under any illusions that at any rate later foreign control would be undermined under new order of things; on the other hand practically all Chinese of standing realise that customs form the keystone of their credit abroad and are alive to danger of any drastic action which would seriously impair it. I see no cause therefore for undue pessimism provided Maze does not take any foolish step which will compromise the future.

Repeated to Peking.

No. 88

Memorandum by Sir J. Pratt respecting the Sino-Japanese Dispute¹

[F 8495/1/10]

GENEVA, December 5, 1932

The following information was obtained in the course of conversations this morning with Mr. Yada of the Japanese Delegation, and later with M. de Rossi (Italian Delegation) and Dr. de Kat Angelino. Dr. de Kat has had a distinguished career in the Dutch Colonial Service and was attached to the Lytton Commission.

A secret meeting of ten of the smaller Powers was held this morning, under the chairmanship of Dr. Benes,² to consider the course to be followed in the forthcoming debate in the Assembly on the Sino-Japanese dispute. Dr. Benes advocated the adoption of the first eight chapters of the Lytton Report, a vote of censure on Japan and a vote of eternal non-recognition of Manchukuo. This gave rise to a long and inconclusive discussion. Spain and the Scandinavian Powers seemed to be in favour of some such action but many others were not convinced of the wisdom of such a policy. The Dutch Representative afterwards consulted Dr. de Kat (in strict confidence) who strongly advised him to the following effect:

The Assembly should abstain from adopting even the first eight chapters of the Lytton Report and should studiously avoid anything that might be interpreted as a slap in the face for Japan—anything like a vote of censure would be sheer insanity. The Assembly should pass a resolution praising the Lytton Report and stating that in view of the findings of the Report in

¹ A copy of this memorandum was received in the Foreign Office on December 7.

² Czechoslovak Minister for Foreign Affairs and delegate to the Special Session of the League of Nations Assembly.

relation to Manchukuo they are of opinion that direct negotiations should be instituted between the parties with neutral observers, with a view to evolving some satisfactory modification of the present regime, and that *in the meanwhile* the members of the League must abstain from recognising Manchukuo.

Dr. de Kat Angelino believed that the Dutch and several other Powers would support this policy, and that Dr. Benes' views may be influenced in this direction before the general discussion in the Assembly begins. There seems to be a good deal of support for the idea that the direct negotiations between the Parties should take place *not* in Geneva but in London.

There is much dissatisfaction in the Chinese Delegation at Dr. Koo's handling of the case before the Council. He wanted to concentrate all the limelight on to himself alone, refused to consult Dr. Yen, and made every mistake in tactics it was possible to make. The star of his patron Chang Hsueh-liang (the young Marshal) is on the wane, and Koo's career is considered to be finished. Dr. Yen will take charge in the Assembly and will concentrate attention on events in Manchuria and in particular on the two points (which are of course China's strongest points), was the independence of Manchukuo the spontaneous act of the people of Manchuria; and were the actions of the Japanese acts of legitimate self-defence? I understand that Dr. Yen's speech is likely to occupy all the morning and that Mr. Matsuoka will reply in the afternoon.

Dr. de Kat further stated (and this is confirmed from other sources) that there is now more harmony in the Japanese Delegation. Mr. Matsuoka has been persuaded of the un wisdom of standing firm on the independence of Manchukuo and refusing 'to enter into any other consideration'. It is believed that he will now adopt the attitude that, so far as Japan can see, no other solution is possible, but that if others can think of any satisfactory solution Japan will be prepared to consider it. It has been pointed out to Mr. Matsuoka that this will leave the road open for negotiations and make it possible for the Powers who are friendly to Japan to come to her support.

J. T. PRATT

No. 89

Letter from Mr. Price¹ (Geneva) to Mr. Clutterbuck²

[F 8577/1/10]

GENEVA, December 5, 1932

My dear Clutterbuck,

I enclose a note of a conversation which I had with Mr. Cahan³ this afternoon. He showed himself rather less violently pro-Japanese (and consequently anti-United States) than I had expected, and you will see that at

¹ Dominions Office representative on the United Kingdom delegation to the League of Nations.

² A copy of this letter was sent to the Foreign Office by the Dominions Office on December 9.

³ See enclosure.

present at any rate his views as to the most appropriate form of action or inaction seem to coincide very closely with our own.

I am afraid that there is nothing more to report on this subject, which is at the moment entirely overshadowed by the disarmament conversations.

Yours ever,
C. R. PRICE

ENCLOSURE IN No. 89

Note of Conversation by Mr. Price

December 5, 1932

I have had a talk this afternoon with Mr. Cahan the Canadian Secretary of State, who is representing Canada at the Special Assembly. I found that he was on the whole entirely in accord with the general attitude outlined by Sir John Simon to the Dominion representatives at the last meeting with them. He pointed out that the position for Canada was a particularly difficult one, having regard to their geographical position as neighbours of the United States and not very distant neighbours of Japan. With the latter their relations had always been extremely friendly and he felt that it would be a great misfortune if the Assembly were to pass hasty resolutions censuring either side. Such information as he had received tended to confirm our own feeling that both the Chinese and the Japanese are in fact much more disposed to make concessions in the hope of a settlement than the attitude of their spokesmen in the Council would lead one to believe.

He mentioned that Mr. Bennett, the Canadian Prime Minister, would be arriving in London on the 11th December, but he did not think that he was likely to visit Geneva.

C. R. PRICE

No. 90

Sir R. Vansittart to Mr. Ingram (Nanking)

No. 99 Tour. Telegraphic [F 8442/1/10]

FOREIGN OFFICE, *December 8, 1932, 7 p.m.*

Your telegram No. 412 Tour¹ (of December 5th: Compensation for two sailors killed at Shanghai).

Question is being reconsidered and instructions will follow.

Meanwhile you need not delay presenting list of Shanghai claims, as question of compensation for relatives of sailors will *not* be included in list.

¹ No. 86.

Mr. Patteson (Geneva) to Sir R. Vansittart (Received December 8, 8.45 p.m.)
No. 439 L.N. Telegraphic [F 8521/1/10]

GENEVA, December 8, 1932, 7.45 p.m.

Following from Secretary of State:

Between morning and afternoon sessions of Extraordinary Assembly today I saw in turn Chinese representatives (Mr. Wellington Koo, Mr. Kuo Tai-chai and Dr. Yen) and Japanese delegates (Mr. Matsuoka and Mr. Matsudaira) and held the same language with both of them. I said that I wished to make entirely clear position taken up by United Kingdom Government in connexion with Manchurian dispute. At this stage we were devoting ourselves first and foremost to promoting atmosphere of conciliation. We did not wish to take sides but to promote agreement. I reminded them of course of events at Shanghai where Britain by taking the same course and exerting through Sir M. Lampson its influence side by side with that of other Great Powers had helped to bring about ultimate settlement.¹ But it must not be supposed that we were by pursuing path of conciliation indifferent to breach of the Covenant which had occurred. I had declared in my speech yesterday² that we along with other Powers would act as a loyal member of the League and support its Covenant. We had not withdrawn from this position and no mistake could be greater than to suppose that we should do so.

Both Chinese and Japanese representatives expressed themselves as grateful for what I had said. I told each delegation of my communication to the other.³

Repeated to Tokyo, Nanking and Washington.

¹ Sir J. Simon believed that Sir M. Lampson, who was on leave in Italy, might be needed at Geneva 'to assist in bringing the Chinese and Japanese together' (cf. No. 51, note 3, and No. 56). A telegram was despatched to Sir M. Lampson from the Foreign Office at 2.15 p.m. on December 8, asking him to stand by pending instructions from Sir J. Simon in Geneva. Subsequently, apparently on December 15, Sir M. Lampson was told that Sir J. Simon would not detain him, and he sailed for the Far East on December 16.

² See *L.N.O.J., S.S. No. 111*, pp. 49-51, for the text of Sir J. Simon's speech at the 12th plenary meeting of the Special Session of the League of Nations Assembly on December 7.

³ This telegram was minuted as follows by Mr. Orde and Sir V. Wellesley, and initialed by Sir R. Vansittart: 'This is the first time we have committed ourselves to the view that there has actually been a breach of the Covenant. It is a pretty clear, but not I should have thought quite certain, deduction from the Lytton Report. What I think is quite certain, if one accepts the report, is that the Washington treaty has been broken. C. W. Orde 9/12.' 'I agree. V. W. 9/12/32.' 'R. V. Dec. 10.'

No. 92

Mr. Patteson (Geneva) to Sir R. Vansittart (Received December 9, 9.30 a.m.)
No. 441 L.N. Telegraphic [F 8524/1/10]

GENEVA, December 9, 1932, 3 a.m.

Following from Secretary of State:—

Mr. Norman Davis in conversation today¹ referred to the mention in my speech yesterday of the suggestion that prospect of conciliation about Manchuria would be improved if representatives of the United States and Soviet Russia were added to the Committee of nineteen. (He had previously told me confidentially that he had had a 'hundred per cent reaction' from Mr. Stimson in favour of this suggestion). He indicated that he now had had further communications with Secretary of State and suggested that our specific declaration that we would not recognise Manchukuo would be a condition precedent to American membership of Committee.

I said that our desire was, as always, to act if possible with the United States and we should like to be assured of their intentions. I authorised him to tell Mr. Stimson that, in our view, Manchukuo did not, in any case, satisfy conditions which would have to be fulfilled before recognition could be considered so question was really academic.

I said I was going to tell the Japanese as well as the Chinese that we were determined to act as a loyal member of the League and to do our utmost to uphold the covenant and we were not retracting from any position already taken up.

Confidential.

It is, of course, clear that no British (? administration) could bind its successors in the exercise of executive discretion for ever. But our immediate object is to promote conciliation out of threats of ostracism from . . .²

Repeated to Tokyo, Nanking, Washington.

¹ The telegram was drafted on December 8. Cf. *F.R.U.S. 1932*, vol. iv, p. 404.

² The text is here uncertain.

No. 93

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 9, 9.30 a.m.)
No. 410 Telegraphic [F 8525/1/10]

TOKYO, December 9, 1932, 11.47 a.m.

Geneva telegram No. 439.¹

Opinion as reflected in press is opposed to dispute being referred to Committee of nineteen owing to delay this course would entail. On the whole tone of press is fairly moderate though attitude of minor Powers is severely criticised.

Repeated to Peking. Foreign Office please repeat to Geneva.

¹ No. 91.

No. 94

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 9, 9.30 a.m.)
No. 411 Telegraphic [F 8539/1/10]

TOKYO, December 9, 1932, 1.35 p.m.

My immediate preceding telegram.¹

I have purposely abstained from any leading questions at Ministry for Foreign Affairs during Geneva proceedings for fear of complicating matters. From a reliable press correspondent I gather that Japanese government dislike reference to committee of nineteen as much as ever on the ground that article 15² should not be applied to dispute and that they object still more to addition of America and Russia. But they do not believe latter will accept and have not yet decided what attitude to adopt towards the proposal.

There is no sign that Japanese government will weaken on independence of Manchukuo and they will probably work for some solution which involves long delay.

Repeated to Peking. Foreign Office please repeat to Geneva.

¹ No. 93.

² Of the Covenant of the League of Nations.

No. 95

Sir R. Vansittart to Mr. Ingram (Nanking)
No. 100 Tour. Telegraphic [F 8397/451/10]

FOREIGN OFFICE, December 9, 1932, 4 p.m.

Your telegram No. 411¹ (of December 3rd: acting arrangements if Sir F. Maze goes on leave).

I agree that arrangements suggested by Sir F. Maze would be dangerous.

Matter has been discussed with Mr. Walsham who does not want to have his name mentioned. He suggests that solution might be to vest control in Wright and Lawford or in Wright and Braud.² He tells us that Chinese secretary in Hart's time was always a foreigner so that supposed precedent for Maze's suggestion is not apposite. Braud we understand has been Chinese secretary.

¹ No. 84.

² M. Braud, a Frenchman, was at that time on special duty in the Inspectorate-General of Maritime Customs at Shanghai.

No. 96

Mr. Patteson (Geneva) to Sir R. Vansittart (Received December 9, 9.5 p.m.)
No. 444 L.N. Telegraphic [F 8560/1/10]

GENEVA, December 9, 1932, 9 p.m.

Following from Mr. Cadogan:

General discussion in special Assembly for Sino-Japanese dispute having closed, resolution¹ has been approved requesting Committee of Nineteen:

(1) To study Lytton Report, observations of the parties and suggestions expressed in the Assembly.

(2) To draw up proposals for settlement of dispute.

(3) To submit such proposals to Assembly at earliest possible moment.

Summary of general discussion follows by despatch.²

¹ This Resolution, printed in *L/N.O.J.*, S.S. No. 111, pp. 74-75, was adopted at the 15th plenary meeting of the Special Session of the Assembly held on December 9 at 2.30 p.m.

The second item on the agenda of that meeting was the voting by the Assembly on the Council's Resolution of October 17, 1932, appointing M. Avenol to be Secretary-General of the League of Nations in succession to Sir E. Drummond, whose resignation was to take effect from June 30, 1933. The Resolution was accepted by the necessary majority; see *ibid.*, p. 75.

² Geneva despatch No. 374 of December 14 and the enclosed memorandum of December 10 by Sir J. Pratt, relating to the debates in the Special Assembly on December 6-8, are not printed.

No. 97

Mr. Ingram (Nanking) to Sir J. Simon (Received January 25, 1933)
No. 163 T.S. [F 552/90/10]

NANKING, December 9, 1932

Sir,

In my telegram No. 856¹ of November 17th I had the honour to inform you that I proposed to submit to you in due course a request for the appointment of an Air Attaché to this Legation. I will now endeavour to set out in this despatch the reasons which have led me to believe that such an appointment is at the present time eminently desirable.

2. China, owing to the vast distances involved, and the present lack of properly organised and adequate communications, is a particularly suitable field for the development of aviation. The Chinese Government are fast realising the importance and advantages of transport and communication by air, alike from the political, economic, and military standpoints. In the present state of Chinese finances, railways and roads are necessarily costly enterprises both in construction and upkeep and at any moment may be exposed to the danger of attack on the part of local war lords or lawless elements. Aeroplane communication is, on the other hand, rapid and reli-

¹ No. 47.

able, comparatively easy to establish and maintain and is now being looked upon as the quickest and most practical method of linking up the principal commercial and other centres with the capital, thus not only benefiting trade generally but also promoting closer political relationship between the various parts of the country. From the military point of view aviation as a weapon of offence or defence, is, owing to its particular suitability to conditions here, growing in popularity and the market for the sale of air-craft to the Central as well as to the Provincial authorities is gradually on the increase. It is even becoming the fashion for prominent Chinese such as Chiang Kai-shek, Chang Hsueh-liang, *et cetera*, to purchase aircraft for their personal locomotion and there are also not a few signs and examples of the beginning of private aviation in less exalted circles. In my conversation with the Minister of Finance on October 20th the latter expressed himself as strongly in favour of air-craft and the development of the Chinese air service as a means of national defence (see my letter to Sir Victor Wellesley of October 24th last).²

3. From the foregoing brief observations it will be seen that the establishment of air services, the training of Chinese aviators and the supply of aviation material, although at present not yet developed to any appreciable extent, are becoming an extremely important factor in the future of this country. It is for this reason that I strongly advocate the presence of an Air Attaché at this Legation. Air communications, either for passenger, postal or commercial purposes, are still so to speak in their infancy and confined to the activities of the China National Aviation Corporation and the Eurasia Aviation Corporation in which American and German interests are strongly represented (see Commercial Counsellor's despatch to Department of Overseas Trade No. 247 O.T.B.³ of November 14th). It stands to reason, therefore, that British material as far as these companies are concerned has little real chance of competing in the open market. On the other hand the field of exploration for the development of further air lines in which British personnel or material might take a prominent part is extensive and an active Air Attaché both from his knowledge of local conditions and requirements, as well as through personal contact, would doubtless have many opportunities of furthering the interest of British aviation trade in this sphere. At present the leading aviation school lately formed at Hangchow is staffed with American instructors and naturally American air material is principally in use. Chinese aviators, after passing through their period of training, will therefore instinctively favour the employment of American machines, *et cetera*, but there seems to be no reason why additional aviation training centres should not in time be established in other parts of China in which British instructors and material might participate. Financial exigencies may at present prevent much progress in that direction, but an Air Attaché with a roving commission would always be in a position to ascertain whether any such schemes are under consideration and in that event be on the spot to secure advantages for the British aircraft industry. The general

² Cf. No. 47, note 1.

³ Not printed.

supply of aviation material both to the Central and Provincial Governments is probably a matter in which the immediate usefulness of an Air Attaché may best be shown. It is true that the Far Eastern Aviation Company and Messrs. Arnhold are doing excellent work in the matter of the sale of British aviation material, but I feel that much better results might be obtained in the face of growing foreign competition by the co-ordination and support of their efforts through the office of an Air Attaché. Both the French and Italian Legations have their Air Attachés, whilst American aviation experts are attached to the staff of the American Legation. A British Air Attaché, in addition to maintaining close contact with and assisting to the best of his ability the representatives of British aviation firms in China, would not only be able to advertise the superiority and advantages of British aircraft in China, but also keep the authorities in England informed of the particular requirements of the Chinese purchaser. Further, he would have the advantage over British air craft representatives here in having, in virtue of his official position, access to Government and local aviation circles as regards pushing and securing orders for British firms. An instance of the extent to which other countries are prepared to bring official pressure to bear to obtain orders is well illustrated in Commercial Counsellor's despatch No. 249 O.T.B.⁴ to Department of Overseas Trade of 15th November.⁵

4. I have consulted the Commercial Counsellor to this Legation on the matter who is in agreement with me that in view of the keen foreign competition and the necessity of not allowing the air-craft market to be lost to British interests, the appointment of an Air Attaché has definite advantages. Although the duties of such an officer would be chiefly of a commercial nature, it is all important that the officer appointed should be of sufficient standing and have up to date technical knowledge and personal experience to enable him to discuss and deal with aviation questions in whatever form they may arise with the competent Chinese authorities. His selection would therefore require careful consideration.

5. In view of the foregoing considerations, I venture to suggest that my proposal may be laid before the competent department of His Majesty's Government for favourable examination.

I have, &c.,

E. M. B. INGRAM

⁴ Not preserved in Foreign Office archives. According to the docket it reported 'the conclusion of a contract in July last between Mr. T. V. Soong on the one hand and Count Ciano, Italian Minister [at Nanking] and Colonel Lodi on the other, for the supply of 24 aeroplanes to China and the loan of personnel to give instruction'.

⁵ A marginal note by Mr. Orde reads: 'F 190 but there is nothing about pressure in it. C. W. O.'

No. 98

Mr. Patteson (Geneva) to Sir F. Lindley (Tokyo)

No. 39¹ Telegraphic [F 8573/1/10]

GENEVA, December 10, 1932

Your telegrams Nos. 410 and 411.²

Following from Secretary of State.

I have pointed out to M. Matsudaira this morning that the Committee of Nineteen will be primarily concerned in promoting conciliation and seeking a settlement under third paragraph of Article 15 of the Covenant. It is for this purpose only that I proposed the addition of American and Soviet representatives and I have urged upon Ambassador that Japan should assent to this course and even welcome it. It seems to me much better to associate United States with work of conciliation than to leave American critics to comment from the outside. Moreover invitation to America and Soviet Russia will certainly be made and objection on the part of Japan would produce the worst effect. My belief is that M. Matsuoka is urging his government to agree and you should do whatever is discreet . . .³ direction using the above arguments.

2. If conciliation fails matter would then move to an involved and more serious stage under paragraph 4 of Article 15. One of the objects of my speech on Wednesday⁴ was to secure that the process of conciliation had its full opportunity first and in this I have succeeded. Hence it was necessary to lay emphasis on the importance of a fair statement from both points of view. We have no intention of pleading the cause of one side as against the other but believe that we can promote satisfactory conclusion best by strict impartiality.

Repeated to the Foreign Office, Nanking, Washington.

¹ Repeated as No. 446 L.N. to the Foreign Office, received on December 10 at 5 p.m.

² Nos. 93 and 94.

³ The text is here uncertain. The words 'in this' are suggested on the filed copy.

⁴ December 7. Cf. No. 91, note 2.

No. 99

Mr. Ingram (Nanking) to Sir J. Simon (Received December 11, 9.30 a.m.)

No. 417 Tour. Telegraphic: by wireless [F 8589/1/10]

NANKING, December 10, 1932

My immediately preceding telegram.¹

I trust I have not misinterpreted you but press reports of your speech had profoundly discouraged official circles here. I have just heard that immediately after seeing me Minister for Foreign Affairs attended a meeting of Foreign Affairs Committee at which it was eventually decided to make no public rejoinder here to your speech as had been originally contemplated.

¹ No. 101; these two telegrams were despatched in the reverse order.

2. I think it would considerably hearten people here if I could be permitted to inform Minister for Foreign Affairs and acting Chairman of Executive Yuan in strict confidence of language held by you to Mr. Davis regarding non-recognition of Manchukuo—see paragraph 2 of your telegram No. 441² to Foreign Office.

Repeated to Geneva,³ Peking, Tokyo.

² No. 92.

³ Cf. No. 122 below.

No. 100

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 5, 1933)

No. 663 [F 122/33/10]

TOKYO, December 10, 1932

Sir,

In continuation of my despatch No. 631¹ of November 25th and with reference to my telegram No. 410² of December 9th, I have the honour to enclose herewith summaries³ of leading articles from the vernacular press in regard to the proceedings at Geneva.

2. It will be seen that, as indeed was foreshadowed by previous articles on this subject, there is general regret that the Council of the League finally decided to refer the matter to the Assembly, thereby, in the view of the Japanese press, shirking its responsibility. There is likewise general opposition to any of the proposals which have been made with a view to a settlement of the dispute on the ground that delay is of no use and will merely tend to increase the difficulties of the situation. There is, on the other hand, no sign that Japan envisages any settlement which is not favourable to herself, or that she is prepared to recede from the stand she has taken in regard to the recognition of Manchukuo. Japan does not desire to leave the League, but if the latter refuse to face facts circumstances may compel her to do so.

3. I may add that on the whole the tone of the press has been much more moderate than might have been expected and satisfaction is expressed over the conciliatory attitude adopted by the great Powers, especially France and Great Britain. The smaller Powers, on the other hand, have been severely criticised for their irresponsible utterances and for their obvious desire to decide the question at issue on a basis of theoretical consideration without regard to the facts.

4. As regards official opinion and intentions, I have not felt justified in making any direct enquiries at the Ministry for Foreign Affairs and no information has been volunteered to me by the Minister for Foreign Affairs or the Vice-Minister both of whom I have seen during the last week on other matters. I felt that the presence at Geneva of a strong Japanese Delegation with which you, Sir, were in close touch, ensured your possessing a full know-

¹ No. 67.

² No. 93.

³ Not printed.

ledge of the Japanese attitude and I feared that enquiries by me were likely to do more harm than good. Moreover there has been no change here as regards essentials since I wrote my despatch No. 448⁴ of August 30th; and the Japanese Government are as determined as ever to base their policy on the existence of the independent State of Manchukuo and not to admit any real interference from outside in the Manchurian question. It will be recalled that Baron Shidehara insisted on this latter point from the very beginning of the trouble. Nevertheless it seemed desirable to try to find out the trend of opinion at the Gaimusho regarding the important pronouncement made by yourself at Geneva on December 7th; and I invited the 'Times' Correspondent, a most trustworthy and well-informed journalist, to call at the Embassy yesterday. Mr. Byas informed me that he gathered from Mr. Shiratori, the Head of the Press Bureau at the Gaimusho, whom he had just seen, that the Government had not yet made up their mind what line to take. They disliked the question being referred to the Committee of Nineteen, the competence of which to deal with it they still denied. Nor did they relish the addition of American and Soviet members to that Committee. But they had not decided how to deal with the proposal. All that was certain was that they were working for some solution which would leave the whole problem in suspense for a year or two. (See my telegram No. 411⁵ of yesterday's date).

5. In private conversations with Japanese friends and officials I have, ever since the Lytton Report was published, taken the line that, though I had no inside knowledge whatever, I did not see how it was possible for the League to do otherwise than accept the Report as representing the facts of the case; and that, to this extent at any rate, a censure of Japan's action was inevitable. I have further insisted that it was well-known that His Majesty's Government followed a League policy and that no hopes should be placed on any deviation from that policy. I have thought it well to stress these two points in order to prevent the Japanese indulging in illusions which would only prove embarrassing to all concerned when they were dispelled.

I have, &c.,

F. O. LINDLEY

⁴ Volume X, No. 639.

⁵ No. 94.

No. 101

*Mr. Ingram (Nanking) to Sir J. Simon (Received December 12, 9.30 a.m.)
No. 416 Tour. Telegraphic [F 8580/1/10]*

NANKING, December 11, 1932, 11.48 a.m.

Minister for Foreign Affairs summoned me yesterday evening and expressed great disappointment of his government at the tenour of your speech at Assembly. There was no word of condemnation of Japan as breaker of the Covenant and other treaties but stress seemed to have been laid

on China's provocative attitude in the past e.g. boycott, anti-foreignism, maladministration etc. China did not expect much from the League but had looked anyhow to Great Britain for some expression of moral sympathy. The want of it he was afraid would be misinterpreted in China and the last thing he desired was that there should be misunderstandings between the two countries.

I told the Minister for Foreign Affairs that though I had not the full text of your speech I put very different interpretation upon it. You *were* expecting something from the League and were looking forwards instead of backwards. If any alleviation of Manchurian situation were to be achieved it would only be hindered by language which antagonised Japan. Any influence we might exert over her in the direction of inducing a more reasonable attitude would be lost if we got her back up at the outset. This did not imply any condonation of breaches of the Covenant and I read to His Excellency the text of your telegram No. 439¹ to the Foreign Office which I discovered had not been very fully reported to him. If we were to be of any use in forwarding a policy of conciliation we must remain friends of both parties and strictly impartial. Others had stressed at Geneva the questionableness of Japan's methods and you had merely quoted from the Lytton Report to indicate provocations she had received; for there were two sides to the picture and one without the other was incomplete. It was only by adopting outwardly an attitude of strict impartiality that we had been able to help China over Shanghai and it was only by similar methods that we could help both her and the League now.

Repeated to Geneva No. 123, Peking and Tokyo.

¹ No. 91.

No. 102

*Mr. Ingram (Nanking) to Sir J. Simon (Received December 12, 9.30 a.m.)
No. 419 Tour. Telegraphic: by wireless [F 8582/1108/10]*

NANKING, December 11,¹ 1932

Your telegram No. 99.²

In my covering note to the Waichiaopu reference claims, I propose to refer to note which I handed to the Minister for Foreign Affairs on February 21st reserving rights (see my despatch F 2762/1/10 No. 22 Tour)³ and continue as in my immediately following telegram:⁴ 'I now have the honour . . . Japanese Government'.

2. I am doubtful as to what we should ask the Chinese to do. Alternatives which suggest themselves are (1) to enquire what steps they propose to take

¹ Date of despatch: both this telegram and Mr. Ingram's immediately following telegram (see note 4) were drafted on December 10.

² No. 90.

³ Not printed; cf. Volume IX, No. 525, note 4.

⁴ No. 107.

to deal with claims; (2) to request that early steps be taken to examine and liquidate them; (3) to suggest a joint investigation.

3. I request your instructions.

Repeated to Peking. Copied to Tokyo.

No. 103

Memorandum by the Secretary of State for Foreign Affairs¹

[F 8600/1/10]

GENEVA, December 11, 1932

Discussions on Manchuria at Geneva

1. My Cabinet memorandum C.P. 402 (32) of November 19th² was an attempt to forecast the probable course of discussions at the League of Nations about the Report of the Lytton Commission. If my colleagues will re-read that paper, they will find that matters have proceeded very much along the lines there indicated. After four days spent by the Council of the League in considering the Report, or rather in listening to contradictory speeches from the Chinese and Japanese representatives about the subject, the discussion was transferred via the Committee of Nineteen to the Assembly.³ The debate in the Assembly lasted for four days; it began, and ended, by a pair of challenging statements by China and Japan, and the rest of the time was occupied by the observations of other Powers. Following the suggestion approved by the Cabinet, I left others to take part in the debate and avoided taking a lead, but on the first two days many of the speeches made by the smaller Powers were so universally hostile to Japan, and so onesided in their references to the Lytton Report, that the great Powers had to intervene. France spoke first of these and the line taken was really the same as that of Italy, Germany and Britain. But, as seems always to happen at Geneva, the British speech was the only one which attracted much attention. I thought it necessary to point out that the Lytton Report did not excuse China from blame, but on the contrary described a situation which had aggravated, even if it had not brought about, the Manchurian trouble. Japan's action was not in accordance with the methods⁴ of the League, but I did not consider that it could be fairly judged unless proper emphasis was laid on those passages in the Report which criticised China.

2. This intervention had a double effect. It undoubtedly steadied the tone of the debate and relieved tension which was near to breaking point. On the other hand, it inevitably provoked criticism, and even resentment, from those who had been espousing the cause of China up to the point of condemning Japan out of hand. The Chinese Delegation are great propagandists and it is noticeable that the criticisms in the London newspapers,

¹ This memorandum was circulated to the Cabinet as C.P. 431 (32).

² No. 53.

³ On November 28; cf. No. 78, note 2.

⁴ This word read 'Covenant' in the original draft but has been amended on the filed copy; cf. Nos. 105 and 111 below.

which are hostile to the Government, are obviously derived, in every detail, from the same source.⁵ It was of course impossible for the British Delegation to avoid speaking and I consider that it was necessary, especially in view of ultimate possibilities, to take this corrective line. At the same time I emphasised our determination to act as loyal members of the League and I privately told both the Japanese and the Chinese that our effort to promote conciliation must not be misinterpreted as indicating that we would be prepared to disregard as unimportant the breaches of the Covenant that had taken place.⁶

3. After much private manœuvring, it was arranged that the Assembly should transfer the whole matter to the Committee of Nineteen who will in due course prepare a Resolution which will be put before the Assembly and voted upon there. The real difficulties now begin. It is probable that the Committee of Nineteen can be induced to regard their first function as that of promoting a settlement, but, if accommodation between China and Japan cannot be reached, the time is not distant when the Committee of Nineteen and the Assembly itself will want to proceed to judgment. And after judgment comes execution, which would bring up the alarming subject of sanctions and Article 16.

4. The Committee of Nineteen is likely to favour the suggestion made in my speech that the United States and Soviet Russia should be invited to contribute a member each to that body for the purpose of its efforts to promote a settlement by conciliation. I have urged the Japanese Government to assent to this course and the American representative here indicates that the United States Government might also be willing.⁷ It is much better to make America share the responsibility than to leave her as an outside critic of the efforts of others; and American help would be valuable. As for Soviet Russia, Mr. Litvinov has unexpectedly arrived at Geneva—for what purpose is not yet known.⁸ Apart from this, I anticipate that the Committee of Nineteen will want to recommend (1) the acceptance of the Lytton Report, or at any rate the first eight chapters of it which consist of conclusions of fact; and (2) some reference to the Resolution of the League of March last⁹ that it is 'incumbent upon members of the League of Nations not to recognise any situation, treaty or agreement which may be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris'. It would be impossible to deny this abstract proposition, but, as I pointed out in paragraph 6 of my previous paper, the real difficulty will arise if it is attempted to apply it in concrete terms to 'recognition', in the technical sense of the State of Manchukuo. The Americans have already been enquiring as to our attitude about this and I have replied⁷ by saying that the question of diplomatic recognition is purely academic, since the State of

⁵ English press comments on the speech are quoted and discussed in R. Bassett, *Democracy and Foreign Policy* (London, 1952), pp. 283–6, 299–326.

⁶ Cf. No. 91.

⁷ Cf. No. 92.

⁸ Cf. No. 104 below. M. Litvinov was the Soviet Commissar for Foreign Affairs.

⁹ Of March 11, 1932; cf. No. 53, note 5.

Manchukuo in present circumstances is not one which we should in any case regard as qualified for such recognition. But if this matter is pressed by the majority to the point when a declaration has to be made, I must then say that I could not bind the hands of my successors for an indefinite future on a question which must be determined by practical considerations as a matter of executive judgment at the time.

5. I cannot formulate questions for the Cabinet to answer at the moment, though I shall be grateful for any advice and guidance. But I am more and more impressed with the feeling that the Manchurian question is going to give us, both at Geneva and at home, a great deal of trouble before it is disposed of.

J. S.

No. 104

Sir E. Ovey (Moscow) to Sir J. Simon (Received December 12, 12.45 p.m.)

No. 236 Telegraphic [F 8583/2173/10]

Confidential

MOSCOW, December 12, 1932, 2 p.m.

My telegram No. 235.¹

Japanese Chargé d'Affaires told member of my staff in confidence yesterday that according to . . .² purpose of M. Litvinov's journey to Geneva was to attend disarmament meeting but that it was also connected with 'important development shortly to be expected in Soviet relations with another country' meaning China.

¹ This telegram of December 9 to the Foreign Office (received 2 p.m., not printed) reported that M. Litvinov had left for Geneva at short notice on the evening of December 7 'in order (according to the press) to attend disarmament meeting'.

² The text is here uncertain.

No. 105

Sir R. Vansittart to Mr. Patteson (Geneva)

No. 638 Telegraphic [F 8600/1/10]

FOREIGN OFFICE, December 12, 1932, 6.40 p.m.

Following for Mr. Seymour from Mr. Orde:

Secretary of State's memorandum for the Cabinet.¹ We notice that in describing his speech he represents himself as having said that Japan had committed a breach of the Covenant. Is this intentional?

¹ No. 103.

No. 106

Sir F. Lindley (Tokyo) to Sir J. Simon (Geneva)
Unnumbered Telegraphic [F 8591/1/10]

TOKYO, December 12, 1932

Addressed to Geneva,¹ repeated to Nanking.

Geneva please repeat to Foreign Office.

Your telegram No. 39.²

I saw Minister for Foreign Affairs this morning and used arguments in your telegram and all others which occurred to me to persuade him to send desired instructions to Japanese delegation.

Minister for Foreign Affairs after expressing warm appreciation of your friendly and helpful attitude at Geneva stated that two points required elucidation before Japanese Government could decide. The first was whether conciliation committee was a body set up by League as part of League machinery. The second was the status of and the part to be played by American and Soviet members of committee. He had telegraphed for further information on these two points.

Minister for Foreign Affairs went on to say that question was of greatest delicacy because Japan had repeatedly made her position clear regarding independence of Manchukuo and no compromise on that point was possible.

¹ Repeated from Geneva at 3.45 p.m. on December 12 as Tokyo No. 413 to the Foreign Office, received at 4.10 p.m. the same day.

² No. 98.

No. 107

Mr. Ingram (Nanking) to Sir J. Simon (Received December 13, 9.30 a.m.)
No. 420 Tour. Telegraphic: by wireless [F 8607/1108/10]

NANKING, December 12, 1932

My telegram No. 419¹ (begins) paragraph 2.

I now have the honour, under instructions of His Majesty's Government, to transmit herewith for presentation to Chinese Government, claims in respect of loss or damage suffered by British subjects in and around Shanghai in the course of these hostilities. Notes of all these claims were sent to the Mayor of the City government of Greater Shanghai from time to time, as the facts became available, in order that he might be able to investigate them if he so desired.

Your Excellency will note that claims are of two kinds; (1) claims for losses by looting and (2) claims for losses otherwise than by looting. In some of these cases it is clear from the evidence that liability of Chinese alone is involved, while about other cases it is impossible to distinguish between

¹ No. 102.

liability of Chinese and Japanese authorities. In latter class of cases His Majesty's Government are obliged to hold both parties responsible, but I am to inform you that in those cases identical claims are being presented to Japanese Government.

Repeated to Peking. Copy to Tokyo and Shanghai.

No. 108

Mr. Ingram (Nanking) to Sir J. Simon (Received December 13, 9.30 a.m.)
No. 421 Tour. Telegraphic: by wireless [F 8632/1/10]

NANKING, December 12, 1932

My telegram No. 404.¹

I have received reply² from Minister for Foreign Affairs to my letter. He says while appreciating good effect of action of His Majesty's Government in interesting themselves in alleged prisoners he does not know with what degree of anxiety His Majesty's Government are watching the fate of thirty million unfortunate Chinese in Manchuria. As regards treatment of Japanese prisoners he had given authorities concerned his personal views on the subject.

2. Donald tells me that on November 21st³ a telegram was sent to General Su warning him not to take drastic action with the prisoners.

3. Prisoners are apparently safe now but whether due to our intervention or not is difficult to say.

Repeated to Peking, copied to Tokyo and Harbin.

¹ No. 76.

² A copy of Dr. Lo Wen-kan's reply of December 1 (not printed) was sent to the Foreign Office under Peking covering despatch No. 1690 of December 24, received February 9, 1933.

³ A minute by Mr. Orde reads: 'Nov. 21st. was before our rep[resentatio]ns!'

No. 109

Mr. Patteson (Geneva) to Sir F. Lindley (Tokyo)
No. 401 Telegraphic [F 8597/1/10]

GENEVA, December 12, 1932

Following from Secretary of State.

My telegram No. 39² and your telegram No. 413.³

Mr. Matsuoka gave me this evening his version of Count Uchida's conversation with you today. He said question of American and Russian participation in Geneva efforts about Manchuria is very important and

¹ Repeated on December 13 at 12.25 a.m. as No. 448 L.N. to the Foreign Office, received at 9.30 a.m. the same day.

² No. 98.

³ No. 106.

Japanese view could not be decided without further information. I explained that my idea was that Committee of 19 might recommend to Assembly that a small body for conciliation might be set up much in the way in which conciliation was promoted in the Shanghai matter. No doubt Committee would do its work at Geneva and would report result to League but it would not be a case of adding additional members to Committee of 19 but of constituting a much smaller body of persons selected because of their knowledge or influence. I thought it probable that Assembly would approve of this suggestion and it would be very unfortunate if Japan was to raise objection. I should give the same explanation to Chinese representative.

I referred to news which we had just received⁴ that China has proposed to establish full diplomatic relations with Soviet Russia and that Litvinov who is now in Geneva had accepted proposal. Matsuoka said that he had heard China attempted to impose some conditions but that ultimate agreement was unconditional. Mr. Karakhan⁵ had told Japanese Chargé d'Affaires in Moscow that Chinese Minister accredited to Russia might be Doctor Yen but he did not know who Russian representative would be in Nanking.

Repeated to Foreign Office and Moscow.

⁴ The Press Bureau of the Chinese Delegation to the Disarmament Conference announced on December 12 that by an exchange of notes between M. Litvinov and Dr. Yen at noon that day at the Hôtel Bellevue, Geneva, normal diplomatic and consular relations had been re-established between the Union of Soviet Socialist Republics and the Chinese Republic.

⁵ Soviet Vice-Commissar for Foreign Affairs.

No. 110

Mr. Patteson (Geneva) to Sir R. Vansittart (Received December 13, 9.30 a.m.)

No. 447 L.N. Telegraphic [F 8596/1/10]

GENEVA, December 13, 1932, 12.25 a.m.

Following from Mr. Cadogan.

Committee of Nineteen met in private this afternoon¹ and discussed at great length suggestions put forward by M. Benes to the effect that committee should submit to Assembly a statement of essential facts regarding situation in Manchuria relying for this purpose on first eight chapters of Lytton report and a resolution stating principles to which any settlement of dispute ought to conform and inviting Russia and United States to join whatever League organ of conciliation might be set up.

They should also deal with question of non-recognition of Manchukuo. United Kingdom delegate put forward view that judgment on facts and fixing of responsibilities were out of place at present stage and were quite incompatible with any genuine attempt at conciliation. This view met with considerable support from French, Swiss, and certain other delegations but though it was agreed by all that an effort to settle dispute by conciliation

¹ This telegram was drafted on December 12.

must be made, certain delegates showed a strong desire to lay down principles and pass an immediate judgment against Japan. Eventually a drafting committee was appointed consisting of delegates for Belgium, United Kingdom, France, Switzerland, Spain, and Czechoslovakia.

No. 111

Mr. Patteson (Geneva) to Sir R. Vansittart (Received December 13, 12.15 p.m.)
No. 452 L.N. Telegraphic [F 8606/1/10]

Immediate

GENEVA, December 13, 1932, 12.15 p.m.

Following for Mr. Orde from Mr. Seymour.

Your telegram No. 638.¹

Secretary of State's words before the Assembly were:

'The serious fact for us is this: that when this unhappy dispute reached its climax methods of League were not employed. This is the central fact for us and it is therefore, as I conceive it, our duty as members of the League to defend its covenant and to see as far as we can that League methods are employed in future cases'.

Any House of Commons statement should keep strictly to this line. If Cabinet paper has not been printed sentence might be altered to 'Japan's action was not in accordance with methods of League'.

See also my telegram No. 439.²

¹ No. 105.

² No. 91.

No. 112

Sir R. Vansittart to Mr. Patteson (Geneva)
No. 640 Telegraphic [F 8589/1/10]

FOREIGN OFFICE, December 13, 1932, 6.45 p.m.

Following for the Secretary of State.

I presume you will reply direct to Mr. Ingram's telegrams No. 416 and 417.¹ His language to Minister for Foreign Affairs might I suggest be approved, but viewed from here it seems doubtful whether it is advisable to encourage the Chinese further.²

¹ Nos. 99 and 101.

² In a minute of December 13 commenting on Mr. Ingram's telegram No. 417, Mr. V. A. L. Mallet (a member of the Far Eastern Department of the Foreign Office) remarked: "The Chinese delegates at Geneva have not so far shown at all a conciliatory spirit and if Nanking is "heartened" the result may merely be continued or even increased truculence in the attitude of Dr. Wellington Koo at Geneva: on the other hand if Nanking remains discouraged may not the idea of compromise and conciliation gain ground?"

No. 113

Mr. Ingram (Nanking) to Sir J. Simon (Geneva)
No. 125 Tour.¹ Telegraphic [F 8653/1/10]

NANKING, December 13, 1932, 8.10 p.m.

My telegram No. 416² to Foreign Office.

In long conversation with the Minister for Foreign Affairs this evening I again tried to disabuse him of the idea that your attitude was one of partisanship and that Canadian representative's language³ was inspired by His Majesty's Government in the United Kingdom. ((? Chinese) cannot grasp the idea of dominion status and think because Ireland is a 'free state' she is freer to speak her own mind than Canada.) In reply to his specific enquiry regarding our attitude towards recognition of Manchukuo I referred him to preamble to resolution of March 11th by which we, in company with other members of the League, were bound.

2. Minister for Foreign Affairs said that if you could see your way to sending him through me a personal message indicating your firm intention to uphold sanctity of treaties and clarifying attitude as regards recognition of Manchukuo it would greatly help him in dealing with present grave criticisms of British attitude.

Repeated to Foreign Office, Tokyo and Peking.

¹ Repeated as No. 426 Tour to the Foreign Office, received on December 16 at 12 noon.

² No. 101.

³ For Mr. C. H. Cahan's speech at the Special Assembly of the League of Nations on December 8, see *L.N.O.J.*, *S.S. No. 111*, pp. 57-59.

No. 114

Mr. Ingram (Nanking) to Sir J. Simon (Received December 13, 5 p.m.)
No. 422 Tour. Telegraphic: by wireless [F 8612/1/10]

NANKING, December 13, 1932

My telegram No. 417.¹

Chinese press comments on your speech are wholly condemnatory. You are charged with having cited all points in Lytton Report favourable to Japan and omitted all those favourable to the Chinese. Veiled threats are uttered regarding unwisdom of Great Britain in antagonizing China where she has such big commercial interests. Press has made no attempt either to appreciate underlying spirit of conciliation or to weigh up the speech fairly as a whole and in relating what had gone before. The Chinese have in fact been hoping against hope that Great Britain would baldly condemn Japan's actions and they are bitterly disappointed that she has not done so.

I am inclined to think spleen now vented on your speech is partly due to

¹ No. 99.

Su-Ping-wen's débâcle in Manchuria.² They had pinned such hopes on irredentist move of which he was the figure-head that its ignominious collapse has been a very bitter pill to swallow.

Repeated to Peking and Tokio.

² In face of advancing Japanese troops General Su Ping-wen and his staff had crossed the frontier into Soviet territory on December 5 where they were disarmed by the Soviet Frontier Guards; Japanese troops entered Manchuli on December 6.

No. 115

Sir F. Lindley (Tokyo) to Sir J. Simon (Geneva)

No. 40¹ Telegraphic [F 8629/1/10]

TOKYO, December 13, 1932

Repeated to Foreign Office No. 414 and Peking.

Prominent Japanese newspaper² published this morning extra leaflet containing telegrams from Geneva to the effect that I had yesterday 'threatened' the Minister for Foreign Affairs that recourse would be had to paragraph 4 of Article 15, if the Japanese Government refused the proposal contained in your telegram No. 39.³ Such extra leaflets are not uncommon and this one caused a drop in the exchange and enquiries at the Embassy. To the latter I replied that I had yesterday had a most friendly conversation with the Minister for Foreign Affairs on general topics and that the 'threat' was a ridiculous invention.

I asked Vice Minister for Foreign Affairs to see me this afternoon to complain about the above but was received by the Minister for Foreign Affairs. He laughed at the contents of the leaflet the truth of which he promised would be denied and then reverted to the subject of my telegram No. 413.⁴

He informed me that though no fresh explanations had yet been received Cabinet had decided this morning to send interim reply which for convenience he gave me in writing. Following is the Text.

'In the first place—and not as a mere legal and theoretical objection but as a matter of practical importance—Japanese Government cannot but entertain serious doubts as to proposal that United States of America and U.S.S.R. should be invited to participate in the work of the commission thus enabling States which are not members of the League to take part in its deliberations without incurring any of the responsibilities incumbent on members. Your Excellency is already acquainted with attitude taken up by Japan towards the committee of Assembly: and it entails the consequence that she finds considerable difficulty in according an anticipatory consent to possibility of participation of these two States—particularly in view of the

¹ Repeated from Geneva at 8 p.m. on December 13 as Tokyo No. 414 to the Foreign Office, received at 8.35 p.m.

² The *Asahi Shimbun*; cf. Nos. 129 and 151 below.

³ No. 98.

⁴ No. 106.

fact that neither the nature and powers of the commission nor relations with⁵ the United States and U.S.S.R. respectively to the covenant of League appear to be satisfactorily defined in the event of their projected participation becoming a reality.'

The Minister for Foreign Affairs emphasized that this reply was not final in the absence of further explanations.

I then showed the Minister for Foreign Affairs your telegram No. 40.⁶ After reading it carefully he asked whether the small committee proposed would be chosen necessarily from committee of 19, or might...⁷ Soviet and American members. I replied that I knew no more than was in the telegram.

⁵ This word should probably have read 'of'.

⁶ No. 109.

⁷ The text is here uncertain.

No. 116

Sir F. Lindley (Tokyo) to Sir J. Simon (Geneva)

Unnumbered¹ Telegraphic [F 8628/1/10]

TOKYO, December 13, 1932

My immediately preceding telegram.²

Although he said nothing I have little doubt that Minister for Foreign Affairs would dislike inclusion of Soviet or American in small committee.

Repeated to Peking.

¹ Repeated from Geneva at 8 p.m. on December 13 as Tokyo No. 415 to the Foreign Office, received at 8.5 p.m.

² No. 115.

No. 117

Mr. Patteson (Geneva) to Mr. Ingram (Nanking)¹

No. 17 Telegraphic [F 8634/1/10]

GENEVA, December 13, 1932

Following from Secretary of State.

Your telegrams Nos. 123 and 125 to Geneva of December 11th and 13th.²

(1) I entirely approve your language with Minister for Foreign Affairs. Extracts, in my immediately following telegram,³ from my speech of last Wednesday⁴ will show how unfounded is propaganda suggesting I was taking sides. Previous debate had almost entirely omitted any reference to criti-

¹ A copy of this telegram was received in the Foreign Office on December 15.

² Nos. 101 and 113.

³ Not printed. This telegram contained the four extracts from Sir J. Simon's speech printed in paragraph 2 of No. 118 below.

⁴ December 7.

cisms of China made in Report and conciliation between parties would be impossible if there was a conspiracy of silence on statements such as those on pages 18, 19 and 126 of the Report which I quoted. While stressing that conciliation was the first task of the League, I emphasised the binding nature of the Covenant and our resolve to uphold it.

(2) You should invite attention of Minister for Foreign Affairs to these passages and enquire whether any of them were in the text of the Report of my speech on which he made his comments to you. You might point out to him that Dr. Benes, Dr. Lange⁵ and the Irish Free State representative⁶ whom I quoted were all of them among the strongest supporters of declarations supporting the League. And any fair report of what I said would show a similar attitude. On the other hand, if conciliation is really desired, it is necessary to use restrained language and I regret to note a complete absence of such restraint in circular of Chinese press comment just received from the press bureau of the Chinese Delegation.

(3) As regards paragraph 2 of your telegram No. 125, you should repeat as personal message from myself my statements contained in my telegram to Foreign Office No. 439⁷ and express my regret that these assurances should not have been conveyed to him more fully by his representatives here.

(4) As regards recognition you can point out that the question is entirely academic but that I myself proposed the Assembly resolution of March 11th and there is no intention of going back on it.

Please repeat to Tokio.

⁵ Member of the Norwegian delegation to the Special Assembly of the League of Nations; for his speech on December 6 see *L.N.O.J.*, S.S. No. 111, pp. 39-40.

⁶ Mr. J. Connolly.

⁷ No. 91.

No. 118

Letter from Sir J. Simon to Mr. Norman Davis (Geneva)

[F.O. 800/291]

Personal

GENEVA, December 13, 1932

My dear Davis,

As you are leaving to-night and I shall not have another opportunity for a talk, I should like, before you go, to write you a personal letter about the Manchurian situation. We have been on such close terms of confidential co-operation that you will not misunderstand my use of the word 'personal'. What I am saying indicates my own view, but of course this is subject to further consideration with my colleagues and confirmation by the Cabinet.

2. Before saying what I have in mind as to the future, let me supply you with some very necessary correctives to the sort of account of my speech at the Assembly which is being purveyed from certain propagandist quarters. I am the more concerned to do this as you told me to-day that you thought that Mr. Stimson had not before him a full account of it and might therefore not have a means of appreciating its purport. The previous debate had

consisted so largely of speeches which omitted all mention of the passages in the Lytton Report which were critical of China, that I was bound to call attention to some of them, e.g. those on pages 18, 19 and 126, to which practically no reference had been made. But I went on thus:

‘I associate myself entirely with Dr. Benes when he observed that he did not desire to be the judge on either side, because after you have read this Report and have given fair allowance to what is said on one side or the other, there is a fact which emerges which deeply concerns the League of Nations. Apart from particular instances, apart from disputed paragraphs, the serious fact for us is this: that when this unhappy dispute reached its climax, the methods of the League were not employed. That is the central fact for us and it is therefore our duty, as members of the League, to defend its Covenant.’

‘I agree with Dr. Lange in what he said yesterday—that we cannot do other than proceed upon the broad basis of history and fact which are contained in this Report, and especially in the first eight chapters. . . .¹ If we are going to act as practical people, we must have a basis, and I see no basis except that which this Report provides.’

‘For all of us alike the Covenant of the League is our constitutional law; it is the reason why we are here; it is the fundamental law. It cannot be set aside . . .¹ because it is the very basis upon which international co-operation is founded. We are not at liberty to disregard it, we are bound to sustain it.’

‘I wish to say quite specifically that my Government will cooperate to the utmost of its power with the other members of the League of Nations in seeking, in the words used by the representative of the Irish Free State, a solution equitable to all the interests concerned which might terminate the conflict and remove the possibility of future antagonism.’

I might observe in passing that Dr. Benes, Connolly (the Irish Free State representative) and Dr. Lange made three of the strongest speeches, of which China approves, so it is really rather one-sided to omit my own confirmation of what they said.

3. Now, as to the future, my own view is that it is very necessary to distinguish between the League’s duty to effect a settlement by conciliation and the League’s duty, if conciliation fails, to pronounce judgment. These two duties are prescribed in this order in separate paragraphs of Article 15 of the Covenant. Nothing but confusion can arise if conciliation is conducted in an atmosphere of denunciation. This is the view of every sober judgment at Geneva, small States no less than big, e.g., the very distinguished representative of Switzerland.² I therefore want to give every chance to settlement by

¹ Punctuation as in the original quotation.

² The reference is to M. G. Motta, President of the Swiss Confederation for 1932.

conciliation for peace in the Far East may depend upon it. But this does not in the least mean that I should not be prepared to see judgment pronounced if a fair and adequate opportunity has been given for conciliation, and conciliation fails. What I object to is poisoning the atmosphere of conciliation before the effort to make it starts.

4. But there are two broad matters upon which a basis for conciliation should rest, as to which I have no hesitation in stating my view. First, we must proceed upon the basis of the Lytton Report (I said so quite clearly in my speech, as the above quotation shows) and we must make plain throughout that we are standing by League doctrine and principle and by every declaration which the League has made in the past. This last includes the declaration of March 11th when I repeated and adopted for myself the formula which we discussed together about non-recognition.

5. Now I wish to say a word about this formula. As I have already told you, I regard any question of recognition, in the diplomatic sense, of the state of Manchukuo as entirely academic and the British Government contemplates nothing of the sort. I understand that you have so reported to Mr. Stimson.³ We desire in this matter to act if possible with the United States and we should like to be assured of their intentions. There are, I believe, American Consuls in various towns in Manchuria, just as we have British Consuls and I presume that these representatives of the United States discharge their duty of protecting American interests in relation to the *de facto* authorities. Our Consuls do the same. And I see no reason why this situation should not continue. It would, of course, be a foolish misconception of the formula to which Mr. Stimson and I have both given our adhesion to regard it as binding the executive of our respective countries one hundred years hence to have no diplomatic relations with an area as big as France and Germany combined. The formula means, and was intended to be understood as meaning, I apprehend, that we neither of us intend to approve or support or countenance or admit as valid, a change of circumstances which has been brought about by means contrary to the duties and the rights defined by treaties which we and others are bound to uphold. I have not chosen my words with pedantic care, for you know that I am writing under pressure of time in circumstances which justify a personal communication.

6. Let me say in conclusion how glad I was to hear from you that there might be a prospect of securing, under proper conditions, the aid of a United States representative of the standing of General McCoy.⁴ I am, for my part, convinced that the only body fit for the work will be a small one staffed by men who know the subject matter in the sort of way that he does. That was the way in which your people and ours got things straightened out at Shanghai and though no doubt the effort to bring China and Japan together about Manchuria must be made in Geneva, everything will depend upon a wise choice of personnel.

³ See *F.R.U.S.* 1932, vol. iv, p. 404.

⁴ Major-General F. R. McCoy had been a member of the Lytton Commission.

Once again let me say what a pleasure it has been to work side by side with you during all these months, and I look forward to much effective cooperation in the future.⁵

J. SIMON

⁵ Paragraphs 3-6 of this letter are printed in *F.R.U.S.* 1932, vol. iv, pp. 421-2.

No. 119

Letter from Sir V. Wellesley to Sir F. Lindley (Tokyo)

[F 8554/1/10]

Secret

FOREIGN OFFICE, December 13, 1932

We¹ have been considering your letter of the 11th November,² on the subject of compensation for the relatives of the two British seamen killed at Shanghai, together with your official despatch No. 598³ of the 9th November, and Ingram's telegram No. 412⁴ of the 5th December, which was repeated to you.

There is certainly considerable weight in the objections put forward by you and Ingram, and the lapse of time makes it more difficult now to approach the Japanese and Chinese Governments. We are therefore informing the Admiralty that we are not prepared to press the matter, and asking for their concurrence in dropping it. We have already telegraphed to Ingram⁵ that he need not delay presenting the list of Shanghai claims, and that instructions regarding this particular question will be sent to him later.

Nevertheless, I think that you are unduly severe on our despatch No. 623⁶ of the 29th September, which only asked you to bring the matter to the notice of the Japanese Government, and to *suggest* that they might be willing in the circumstances to be charitable. There was never any question of making a formal claim based on legal grounds, but apart from the delay which had occurred there was, I think, a reasonable case for sounding the Japanese and finding out whether they would not consider making a small payment. We had reserved our rights, and had protested against the Japanese use of the International Settlement as a base of offensive action. We had also, I think, pointed out the danger to our interests of the position occupied by the Japanese warships in the Whangpoo.⁷ The deaths of the two seamen were directly due to the Japanese taking up that position. But we worded our despatch somewhat tentatively, so that your discretion might not be fettered.

An official despatch⁸ will follow later as soon as we receive the Admiralty's reply.

¹ The formal beginning and ending of this letter are missing on the filed copy.

² No. 44.

³ No. 41.

⁴ No. 86.

⁵ See No. 90.

⁶ Cf. No. 41, paragraph 1.

⁷ Cf. Volume IX, Nos. 191, 209, 234, 318, note 2, and 452.

⁸ No relevant despatch has been traced in Foreign Office archives.

As regards the other occasion mentioned in your letter in which you found it necessary to disregard your instructions, this hardly seems to me to be a parallel case. Our telegram No. 109⁹ of the 13th July had special reference to the seizure of the customs houses in Manchuria, and as there still remained at that time some faint hope of a solution of the Dairen question being obtained, the instructions were despatched as a final effort to save something from the wreckage. The Nine Power Treaty was brought in as part of our argument that Japan should do everything in her power to prevent the disruption of China into separate tariff areas and its precise interpretation was not essential to the point at issue. The omission of the words to which you allude in paragraph 2 of your despatch No. 378¹⁰ of the 21st July did not seem to call for specific approval and as you had already acted on our telegram No. 109, we assumed that you would infer that our silence meant consent.

⁹ Cf. No. 44, note 5.

¹⁰ Cf. *ibid.*, note 6.

No. 120

Memorandum by Mr. A. L. Scott concerning Chinese loans [F 7884/2/10]

FOREIGN OFFICE, December 13, 1932

Customs

I. The loans secured on the Customs¹ are as follows:—

1. 1898 Anglo-German Loan.²
2. Re-organisation Loan of 1913.³
3. Boxer Indemnities⁴ (including 5% Gold Loan of 1925 secured on the balance of the French Boxer Indemnity, and 6% Gold Loan of 1928 secured on the balance of the Belgian Boxer Indemnity).

II. In addition, there is a contingent liability for other loans, e.g. the Tientsin-Pukow Railway Loans⁵ and Hukwang Railway Loan,⁶ depending on the interpretation of the 'likin' clause in the loan agreements. The Tientsin-Pukow Railway Loan is in arrears (on 1st October, 1932) to the amount of £1,055,977. 2. 5d. The annual service is at present £150,688. 5. 8d. The Hukwang Loan annual service is about £600,000, and there are also considerable arrears (£2,002,675. 7. 6d. at the end of 1931).

¹ Cf. Volume VIII, No. 1, pp. 22–24; see also *The China Year Book 1933*, pp. 512 ff.

² The text of this loan agreement of March 1, 1898, is printed in MacMurray, vol. i, pp. 107–12.

³ For the agreement of April 26, 1913, see *ibid.*, vol. ii, pp. 1007 ff.; cf. Volume VIII, No. 95, enclosure.

⁴ Cf. No. 45 above; see also *The China Year Book 1933*, p. 512.

⁵ The agreement of January 13, 1908, for the 5% Tientsin-Pukow Railway loan is printed in MacMurray, vol. i, pp. 684 ff.; the supplementary loan agreement of September 28, 1910, is printed *ibid.*, pp. 814 ff.

⁶ This agreement of May 20, 1911, is printed *ibid.*, pp. 866 ff.

III. On the basis of Customs statistics for the year 1931, the quota payable by Manchuria, including Dairen, is either 10·6188% or 11·0199%, according as the total collection of all ports excluding tonnage dues, or the total revenue remittances from all ports, is taken. The latter seems the fairer of the two, and the figures for 1931 are:—

Total revenue remittances from all

ports Haikwan Taels 225,004,782.908

Total revenue remittances from Manchuria,

including Dairen Haikwan Taels 24,795,288.823

The Manchurian proportion of the above, at 11·0199% is therefore Haikwan Taels 9,158,500. The total cost of foreign loans and indemnities, excluding the Russian, German and Austrian, but including the British and American portions, amounted for the year 1931 to Haikwan Taels 83,109,000. The exchange then averaged about Shanghai Taels 15 to the £1; and Shanghai Taels 105 to Haikwan Taels 100. For the year 1932, at the rate of exchange of Taels 12 to the £1, the annual cost of the foreign loans and indemnities would, however, amount approximately to Shanghai Taels 69,000,000 annually. The annual foreign currency obligations amount to £3,328,100 and \$ gold 8,277,960, and if the gold dollar amount is converted at the rate of \$ gold 3·33 to the £1, the sterling equivalent of these foreign loans and obligations is £5,811,488. 11% of this gives £639,263 13. 6d. as the quota payable by Manchuria.

Salt

I. The loans now paid from the Salt are:—

1. The Anglo-French Loan of 1908.⁷
2. The Crisp Loan of 1912.⁸
3. One semi-annual interest coupon of the Hukwang Loan of 1911 (approximately £144,000).

The Re-organisation Loan of 1913, also secured on the Salt, has been paid from Customs revenues since 1917, and the 1898 Anglo-German Loan and Boxer Indemnity are actually secured both on Customs and Salt, but are now paid by the Customs.

II. According to the Chief Inspectors of Salt Revenue, the monthly foreign loan quota for Manchuria is \$217,800, and the Manchurian share of the special surtax of 30 cents per picul is approximately \$73,800, making a total of \$291,600. The original quota fixed in October 1929 was \$86,600, but in consequence of the depreciation in silver, the loan quota proper was raised in April, 1930, to \$217,800.

III. Yearly receipts from Manchuria in 1929 and 1930 averaged \$24,000,000 as compared with a national aggregate of \$140,000,000. The

⁷ For this agreement signed at Peking on October 8, 1908, see MacMurray, vol. i, pp. 747-51.

⁸ This agreement, signed at London on August 30, 1912, by the Chinese Minister in London (Dr. Lew Yuk-lin) and G. Birch Crisp and Company of London, is printed *ibid.*, vol. ii, pp. 967 ff.

foreign loan obligations were estimated by the Foreign Chief Inspector for 1931 at \$23,000,000, but the silver exchange has of course appreciated since that date. The latest figures for the Salt receipts are contained in the Chinese budget for 1931-32 (F 5672/330/10) [and] amount to

\$134,700,000	collected by Inspectorate Offices.
3,891,542	collected by Commissioner's Offices.
24,655,875	Prov. Salt Surtaxes taken over by National Government.

\$163,247,417

A. L. SCOTT⁹

⁹ A note on the filed copy, below Mr. Scott's signature, reads: 'For Manchukuo attitude, see Mr. Ingram's despatch No. 1109 of 25th August 1932—F 7175/2/10.' This despatch, received October 5, is not preserved in Foreign Office archives. The summary on the docket reads: 'Transmits copy of despatch No. 15 from Commercial Secretary at Harbin enclosing extract from the "Manchuria Daily News" giving details of new arrangement for the allocation of customs revenue for the redemption of outstanding foreign loans contracted by China. Comments on this declaration.' Cf. Volume X, Nos. 556 and 587.

No. 121

Mr. Patteson (Geneva) to Sir R. Lindsay (Washington)

No. 12¹ Telegraphic [F 8661/1/10]

GENEVA, December 14, 1932

Following from Secretary of State.

Norman Davis read to me yesterday long telegram from Stimson about Manchuria² in course of which Secretary of State professed himself somewhat disappointed with British attitude as expressed in my speech before Assembly last Wednesday.³ This must be due first to Secretary of State's unfamiliarity with League procedure and secondly to nature of references to my speech in American press. Chinese Delegation here are skilful propagandists and do their utmost to encourage the critics. I therefore transmit to you in my immediately following telegram certain extracts from my speech which I have also given Norman Davis.⁴ They will show that I took firm stand in support of Covenant and condemned Japanese action in so far as it did not employ League methods. All the references I made to China's shortcomings were textual quotations from the Lytton Report, but most of the previous speakers omitted this side of the case entirely.

2. Secretary of State will appreciate that Covenant of the League draws a sharp distinction between conciliation as first process and pronouncing on

¹ A copy of this telegram was received in the Foreign Office on December 16.

² Presumably the telegram printed in *F.R.U.S.* 1932, vol. iv, pp. 415-17.

³ December 7.

⁴ The extracts transmitted were identical with those printed in paragraph 2 of No. 118.

the merits of the dispute if conciliation fails. Nothing but confusion can result if the League attempts to pronounce judgment first and this would be to disregard the Covenant. All serious members of the League understand this and I am not in any way taking up a position different from them. But while suspending judgment, it is perfectly possible to make it clear that we stand by the Covenant and all our previous declarations in regard to Manchuria and there has never been any question in my mind that the Lytton Report is the basis upon which the League will proceed.

3. I am leaving Geneva tonight in view of ministerial consultations on European situation and other urgent matters. The drafting of the Resolution about Manchuria to be proposed in the Assembly is not completed but I have every reason to hope that it will be in a form generally agreed.

No. 122

Mr. Patteson (Geneva) to Mr. Ingram (Nanking)

No. 19¹ Telegraphic [F 8636/1/10]

GENEVA, December 14, 1932

[Following from Secretary of State]

Your telegram No. 417² to the Foreign Office.

You may act as proposed in 2nd paragraph of your telegram under reference which was not repeated to Geneva and has only just reached me. This is really covered by my telegram No. 17³ paragraph 4.

¹ Repeated as No. 457 L.N. to the Foreign Office, received on December 14 at 9 p.m.

² No. 99.

³ No. 117.

No. 123

Mr. Ingram (Nanking) to Sir J. Simon (Received December 15, 9.30 a.m.)

No. 427 Tour. Telegraphic: by wireless [F 8637/2173/10]

NANKING, December 14, 1932

My telegram No. 424.¹

Minister for Foreign Affairs tells me that exchange of notes governing resumption of relations with Soviet relate merely to bare fact of resumption and contain no special provision regarding propaganda which would continue to be governed by relevant clauses of Sino-Soviet agreement of May 31st 1924.² He hoped to negotiate pact of non-aggression as soon as Soviet Ambassador arrived.

¹ Of December 13 to the Foreign Office: it briefly recorded that the Chinese Ministry for Foreign Affairs confirmed press reports of the resumption of Sino-Soviet relations; cf. No. 109, note 4.

² See *Treaties and Agreements with and concerning China 1919-1929* (Carnegie Endowment, Washington, 1929), pp. 133-44.

Minister for Foreign Affairs let me infer that events at Geneva have precipitated his decision, in particular possibility of inclusion of a Soviet representative in any conciliation committee to be set up.

Repeated to Peking.

No. 124

United Kingdom Delegate (Geneva) to the Foreign Office
(Received December 16)

No. 376 L.N. [F 8655/1/10]

GENEVA, December 14, 1932

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the undermentioned paper[s].

<i>No. and Date</i>	<i>Subject</i>
Mr. Yen to Sir J. Simon, Dec. 10.	Sino-Japanese dispute: message from Chinese public organisations in Shanghai.
Sir J. Simon to Mr. Yen, Dec. 14.	Sino-Japanese dispute: message from Chinese public organisations in Shanghai.

ENCLOSURE I IN NO. 124

Letter from Dr. Yen (Geneva) to Sir J. Simon

GENEVA, December 10, 1932

My dear Sir John:

At the request of certain Chinese public organizations in Shanghai, I have the honour to transmit the following telegram, which I have just received, addressed to Your Excellency:

'In view of righteous stand Great Britain has persistently taken regarding the Manchurian dispute, we are greatly astonished with your speech of December 7th. We urge in consideration of the peace of the Far East and of the growing commercial relationship between China and Great Britain, that you slacken no effort in securing a just settlement.

(signed) Associated Chambers of Commerce
Shanghai Chamber of Commerce
Shanghai Bankers Association
Shanghai Exchange Guild
Cotton Mill-owners Association.'

Believe me, my dear Sir John,
Very sincerely yours,
W. W. YEN

ENCLOSURE 2 IN NO. 124
Letter from Sir J. Simon to Dr. Yen

GENEVA, December 14, 1932

Dear Dr. Yen,

I have received your letter of December 10th transmitting the telegram which you have received from various public bodies in Shanghai. The impression created by my speech depends on the fullness and fairness of the reports made of it. I feel sure that the conversation which I had with you on Thursday last¹ will have dispelled any misconceptions under which Chinese opinion may have been labouring and will have enabled you already to convey to your Government, and through your Government to your public in China, a correct idea of the stand which my Government has taken as a loyal member of the League with a view to securing a just settlement of the dispute in the Far East. In order that there may be no room for doubt on this subject, I enclose some extracts from my speech which I have telegraphed to His Majesty's Chargé d'Affaires at Nanking² so that he may be in a position to explain the situation to the Chinese Government and thus counteract the propaganda which has inspired the telegram transmitted in your letter under reply.

Believe me my dear Dr. Yen,
Yours very sincerely,
JOHN SIMON

¹ December 8; cf. No. 91.

² Cf. No. 117, note 3.

No. 125

Letter from Mr. Norman Davis (Paris) to Sir J. Simon

[F.O. 800/291]

Personal

PARIS, December 14, 1932

My dear Simon:

I have read with much interest your personal letter¹ of December 13th which you kindly sent to me just before I left Geneva last night. As I am sailing tomorrow and have much to do today, I shall not attempt to comment upon it now at much length. I wish, however, to express my appreciation of the fact that you took the trouble under the great pressure of work yesterday to write me so fully on this subject.

There is one point that I would like to raise now, about which I spoke to you at the train, and that is with reference to a reaffirmation of the declaration of March 11th. As I recall, this was in substance a declaration that it was incumbent on the members of the League not to recognize any situation or agreement brought about by means contrary to the Covenant

¹ No. 118.

or the Peace Pact. Presumably this declaration of principle was not more specifically applied at that time to the situation created in Manchuria because it was felt that in view of the conflicting statements and claims made by China and Japan it was necessary to secure more adequate, impartial and authoritative information. Since the Commission of Enquiry which was appointed for the purpose of getting at the facts has now reported its findings, I fear it would be construed as a backward step if the March 11th Resolution was now merely reaffirmed and not made specifically applicable to Manchuria.

It would also seem to me that the setting up of the so-called independent State of Manchukuo—and Japan's flagrant recognition of it without awaiting the report of the Lytton Commission—and Japan's claim in effect that the situation thus created validates what otherwise might have been invalid, makes it all the more incumbent to decide if, in the light of the Lytton Report, the creation of Manchukuo was brought about by means which cannot be recognized as valid and if so then to state that Manchukuo should not be recognized or supported. Surely this can be stated definitely without being provocative. In my opinion, conciliation, which is most desirable, would be more difficult if Japan should feel there was any weakening as to principles.

As you stated to me, there is no difference between us as to principle since you are in thorough accord with the policy which Secretary Stimson has enunciated in respect of non-recognition. If, therefore, there is any difference, it is merely that of what may be the most practical way to attain the same ends without the surrender of principle. As to the time element involved in the non-recognition principle it would seem that this is primarily a question of phraseology.

It has indeed been to me a source of real satisfaction to have worked with you on such intimate terms and I hope that we shall be able to continue to pull together until we translate into more concrete measures some of the things upon which we have been working together so hard.

With warm personal regards, I am,
Sincerely yours,

NORMAN H. DAVIS

P.S. Best wishes to you and Lady Simon for a merry Xmas.

No. 126

Mr. Patteson (Geneva) to Sir J. Simon (Received December 16, 9.30 a.m.)

No. 461 L.N. Telegraphic [F 8651/1/10]

GENEVA, December 16, 1932, 12.15 a.m.

Following from Mr. Cadogan.

Draft statement of reasons and draft of resolution (for text see my immediately following telegrams)¹ were adopted at private meeting of

¹ Nos. 127-8.

Committee of 19 this afternoon,² without serious opposition or criticism. As proceedings are still under Article 15 (3) of Covenant, resolution will have to be passed unanimously by Assembly. As however statement of reasons contains matters which one or both of the parties will probably not be able to accept it was agreed that it would be better that this document should not be put to the vote but that President should state at the end of the meeting that he assumed that all members except the parties accepted the statement of reasons.

It was further agreed that should either the United States or U.S.S.R. or both refuse invitation extended to them work of conciliation should still proceed provided that parties accepted the resolution.

President will now communicate draft statement of reasons and resolution to the parties and ascertain whether there is any objection on the part of their Governments. Slight changes might be made in order to secure their consent but changes of substance are not contemplated. In view of fact that the Chinese and Japanese delegates will probably desire to consult their Governments I suggested that this telegram together with texts in my immediately following telegrams may be repeated to Nanking and Tokyo.

Texts were shown to the United States Minister last night in slightly different form in which they then were. He gave as his personal view that if last paragraph of statement of reasons were retained it would be easier for his Government to accept invitation. If it were cut out it would be more difficult for his Government to accept but he could not say they would refuse.

He is consulting his Government³ but has as yet received no reply.

Drafting committee will meet tomorrow afternoon to hear report on President's negotiations with the parties but it is unlikely that it will be possible to convene Assembly before next week.

² This telegram was drafted on December 15. ³ Cf. *F.R.U.S.* 1932, vol. iv, pp. 422-4.

No. 127

Mr. Patteson (Geneva) to Sir J. Simon (Received December 16, 10.30 a.m.)
No. 462 L.N. Telegraphic [F 8652/1/10]

GENEVA, December 16, 1932, 10.35 a.m.

My telegram No. 461.¹

Draft Resolution No. 1.²

The Assembly

Recognising that according to terms of Article 15 of the Covenant its first duty is to endeavour to effect settlement of dispute and that consequently it is not at present called upon to draw up report stating facts of dispute and recommendations in regard thereto.

¹ No. 126.

² Draft Resolutions Nos. 1 and 2 are printed, with minor punctuation and capitalization amendments, in the Committee of Nineteen's draft report of February 15, 1933 (No. A (Extr.) 22, 1933, VII); cf. *L.N.O.J.*, *S.S. No. 112*, pp. 67-68; see also *F.R.U.S.* 1932, vol. iv, pp. 432-3.

Considering that by its resolution of March 11th, 1932, it laid down principles determining attitude of League of Nations in regard to settlement of dispute.

Affirms that in such a settlement provisions of the covenant of League of Nations, Pact of Paris and Nine Power Treaty must be respected.

Decides to set up a Committee whose duty will be to conduct, in conjunction with parties, negotiations with a view to settlement on basis of principles set out in Chapter 9 of report of commission of enquiry and having regard to suggestions made in chapter X of that report.

Appoints to form that committee members of the League represented on special committee of 19.

Considering it desirable that U.S.A. and U.S.S.R. should consent to take part in negotiations entrusts to above-mentioned committee the duty of inviting Governments of U.S.A. and U.S.S.R. to take part in these negotiations.

Authorises it to take such measures as it may deem necessary for successful execution of its mission.

Requests committee to report progress before March 1st, 1933.

Committee will have power to fix in agreement with the two parties time limit referred to in Assembly resolution of July 1st, 1932;³ should the two parties fail to agree on duration of such time limit committee will simultaneously with presentation of its report submit proposals to the Assembly on the subject.

The Assembly shall remain in session and its President may convene it as soon as he may deem this necessary.

Draft resolution No. 2.²

The Assembly thanks commission of enquiry appointed in virtue of the Council's resolution of December 10th, 1931, for valuable assistance it has afforded the League of Nations and declares that its report will stand as an example of conscientious and impartial work.

³ For this Resolution relating to the extension of the 6-months' time-limit for submission by the Council to the League of Nations Assembly of its report on the Sino-Japanese dispute, see *L/N.O.J.*, *S.S. No. 102*, p. 16; cf. Volume X, No. 492.

No. 128

Mr. Patteson (Geneva) to Sir J. Simon (Received December 16, 12.15 p.m.)

No. 463 L.N. Telegraphic [F 8654/1/10]

GENEVA, December 16, 1932, 11.10 a.m.

My telegram No. 461.¹

Statement of reasons.²

Assembly in its resolution of December 9th³ requested its special Committee.⁴

1. to study report of Commission of Enquiry, observations of parties and opinions and suggestions expressed in Assembly in whatever form they were submitted.

¹ No. 126.

² Printed in the Committee of Nineteen's draft report of February 15, 1933 (cf. No. 127, note 2); cf. also *L/N.O.J.*, *S.S. No. 112*, pp. 68-69, and *F.R.U.S. 1932*, vol. iv, pp. 430-2.

³ Cf. No. 96, note 1.

⁴ Punctuation as in the original.

2. to draw up proposals with a view to settlement of dispute brought before it under Council resolution dated February 19th, 1932.

3. to submit these proposals to Assembly at the earliest possible moment.

If Committee had had to lay before Assembly picture of events and appreciation of general situation it would have found all elements necessary for such a statement in the first eight chapters of report of Commission of Enquiry which in its opinion constituted a balanced impartial and complete statement of principal facts.

But time has not come for such a statement. In accordance with Article 15 paragraph 3 of Covenant, Assembly must first of all endeavour to effect settlement of dispute by conciliation and if such efforts are successful it shall publish statement giving such facts as it may deem appropriate. If it fails it is its duty in virtue of paragraph 4 of same article to make statement of facts of dispute and recommendations in regard thereto.

So long as efforts on basis of Article 15 paragraph 3 are continued a sense of responsibilities placed on Assembly in various contingencies provided for in Covenant obliged it to maintain a particular reserve. Hence Committee has confined itself in draft resolution which it is today submitting to the Assembly to making proposals with a view to conciliation.

By the Assembly's resolution of March 11th, special Committee was instructed to endeavour to prepare settlement of dispute in agreement with the parties. Since on the other hand it is desirable that United States of America and U.S.S.R. should join efforts made in collaboration with representatives of the parties, it is proposed that governments of those two countries should be invited to take part in negotiations.

In order to avoid misunderstandings and make it plain that what is contemplated at present stage, with co-operation of the two countries not members of the League, is solely negotiation of a settlement by conciliation, special Committee suggests that it should be regarded for this purpose as a new Committee responsible for conducting negotiations and should be authorised in this capacity to invite the governments of the United States and U.S.S.R. to take part in its meetings.

Negotiations Committee will have all powers necessary for execution of its mission.

In particular it may consult experts. It may if it thinks fit delegate part of its powers to one or more sub-committees or to one or more particularly qualified persons.

Members of negotiations Committee will be guided as regards matters of law by parts I. and II. of Assembly resolution of March 11th, 1932, and as regards matters of fact by findings set out in first 8 chapters of report of Commission of enquiry. As regards solutions to be considered they will seek them on basis of principles set out in chapter 9 of report of Commission of Enquiry and having regard to suggestions made in chapter X of said report.

In this connection Committee of 19 considers that in special circumstances which characterise dispute, mere return to conditions previous to September

1931, would not suffice to ensure durable settlement and that maintenance and recognition of present régime in Manchuria could not be regarded as solution.

No. 129

Sir J. Simon to Sir F. Lindley (Tokyo)

No. 156 Telegraphic [F 8689/1/10]

FOREIGN OFFICE, *December 16, 1932 5.30 p.m.*

Mr. Matsudaira handed me on December 14th a statement corresponding with that handed to you as reported in your telegram No. 414¹ of the 13th December, as to the position taken up at present by the Japanese Government in reference to the proposal that the United States and Soviet Russia should be invited to contribute a member each to any committee of conciliation which might be set up at Geneva in connexion with the Manchurian dispute. I told Mr. Matsudaira that I thought the Japanese Government were making a mistake if they contemplated putting obst[a]cles in the way of the proposed co-operation. The Governments named could not be prevented from criticising the efforts made by others and it was much better for them to share the responsibility. I gathered from His Excellency that he himself and also Mr. Matsuoka had been disposed to take the same view and had so advised their Government. But of course he could do nothing but carry out his instructions.

I took the opportunity of mentioning to His Excellency the press report referred to in your telegram No. 414. A Geneva paper of December 14th contains a telegram from Japan reporting the paragraph in the 'Asahi Shimbun' of December 12th [?13th] to which you referred. His Excellency described the message as ridiculous and said that of course there was nothing in my conversation with him which could be regarded as a threat, see my telegram No. 39² from Geneva. The inference is that the message was sent from Geneva by some Japanese journalist, but this is not certain, as propagandists against Japan may have spread the news to create trouble.

Repeated to Nanking No. 105, Washington No. 625.

Copy by bag to Geneva.

¹ No. 115.

² No. 98.

No. 130

Mr. Ingram (Nanking) to Sir J. Simon (Received December 16, 6 p.m.)

No. 429 Tour. Telegraphic: by wireless [F 8665/1/10]

NANKING, *December 16, 1932*

I am most grateful for your telegrams Nos. 17¹ and 18² from Geneva which I read to Minister for Foreign Affairs this morning.³ At his request I am

¹ No. 117.

² See *ibid.*, note 3.

³ This telegram was drafted on December 15.

embodying in form of personal letter to him (not for publication but for information of his colleagues) text of your message and relevant extracts from your telegrams under reference.

Minister for Foreign Affairs asked me to assure you that he had not read full text of your speech when he used language mentioned in my telegram No. 416.⁴ He promised to do his best not only with his colleagues but with the public to remove previous misconceptions. I am not sure that as regards latter he can do much but as regards former I have hopes as I have seen many of them during the last few days and endeavoured to explain the situation by using arguments quoted in my telegram No. 416. Real trouble lies in general ignorance regarding machinery of Article 15 which Chinese themselves have invoked⁵ and in tendency to attach undue importance to window-dressing.

Repeated to Geneva, Peking and Tokyo.

⁴ No. 101.

⁵ A reference to the Chinese Government's request, adopted by the Council Resolution of February 19, 1932, for the submission of the Sino-Japanese dispute to the Assembly of the League of Nations in accordance with Article 15, paragraph 9, of the Covenant. Cf. *L.N.O.J.*, *S.S. No. 101*, p. 10.

No. 131

Mr. Patteson (Geneva) to Sir J. Simon
(Received December 17, 9.30 a.m.)
No. 464 L.N. Telegraphic [F 8676/1/10]

Immediate

GENEVA, December 17, 1932, 1 a.m.

Following from Mr. Cadogan:—

My telegrams Nos. 461, 462 and 463.¹

Baron Sato² came to see me this morning³ to discuss texts, which had been communicated to his delegation yesterday evening. He told me that his delegation telegraphed early this morning for instructions which he hoped to receive before tomorrow morning at the earliest.

He expressed fear that documents would prove unacceptable to his government particularly statement of reasons in which they would find certain judgments on their own conduct. In particular, of course, he objected to last paragraph of statement of reasons.

I said that Sato from his long experience here would realise why that paragraph had been inserted, there was considerable movement of opinion which considered it was difficult to propose conciliation whilst territory of one of the

¹ Nos. 126-8.

² Mr. Naotake Sato, Japanese Ambassador at Brussels, 1930-33, was a member of the Japanese delegation to the Special Assembly of the League of Nations. He had been attached to the first Japanese delegation to the League of Nations meetings at Geneva in September 1920 and had served almost continuously in connexion with the League since that date.

³ This telegram was drafted on December 16.

parties was in military occupation of the other and it was to meet this misgiving that passage had been inserted.

Other main objection which Japanese had was to invitation to the United States and Soviet to join in negotiation. Japanese objection was both political and juridical. On juridical aspect they saw difficulty in that the two governments might make suggestions or proposals without at the same time being bound by any obligations incumbent on members of the League. If conciliation failed it was not clear what course those governments would be bound to follow. His Majesty's Government might not exclude the idea of there being some liaison between negotiation committee and the United States government. I suggested that such an arrangement would enable United States government to make any kind of suggestion without incurring any sort of responsibility for it.

On political aspect Sato said that in view of enunciation of Mr. Stimson's doctrine they felt the presence of the United States at negotiation committee would exercise pressure on Japan. In regard to participation of Soviet he observed that this presented a grave difficulty to his government. Recent renewal of relations between Soviet and China would be likely to induce anti-Japanese bias.

Further point that Sato made was that committee of negotiation should not be composed of nineteen but should be restricted to much smaller committee of Powers with interests in the Far East. I drew his attention to paragraph in statement of reasons providing for delegation of Powers to sub-committees and suggested that in practice negotiation would probably be in the hands of such small committees though nineteen would remain nominally in charge. It might be difficult at this stage to exclude any of the governments represented on the committee of nineteen.

Sato then went through the two documents and produced [*sic*] alternative Japanese drafts.

Principal changes in statement of reasons were:

1. In 5th paragraph referring to first 8 chapters of Lytton Report he proposed to delete last words beginning 'which in its opinion' and to add 'and observations of parties'.
2. He proposed to omit reference to an invitation to the United States and Soviet.
3. He proposed to delete last paragraph.

As regards resolution, (1) in paragraph 3 he would omit reference to Nine Power Treaty. He admitted preamble to covenant referred to 'scrupulous respect for all treaty obligations' but he maintained that if one treaty was mentioned all relevant treaties must also be mentioned.

(2) In paragraph 4 after 'on basis of principles' he proposed to insert words 'excepting principles 7 and 8'. I pointed out to him that this would amount to a rejection of the two main principles of Lytton Report affecting Manchurian dispute and I could hold out no hope that this proposal could be accepted.

(3) To the same paragraph he proposed to add words 'in so far as they can be reconciled with realities'. This might possibly be re-drafted in some other

form and I gather from him if some formula of this kind could be found it was possible that proposal under (2) above might be dropped.

(4) In paragraph 5 after words 'members of League' he would insert 'who have large interests in China'.

(5) He would delete next paragraph concerning invitation to United States and Union of Soviet Socialist Republics.

In conclusion he said that his delegation regretted that documents made no reference to present conditions in China, to boycott and anti-foreign agitation etc. and that they were therefore not impartial. I pointed out that reference to Lytton Report seemed to me to cover everything on both sides and I could not find that there was anything specially aimed at Japan.

Even last paragraph of statement of reasons to which he took exception was two-edged. With regard to future proceedings he expressed the hope that the assembly would do nothing precipitate. If Japan were forced to a vote on this document they would have to vote against and that would mean departure of Japan from the League.

I expressed very fervent hope that very earnest efforts made to arrange for conciliation might not meet with failure and that his worst anticipations could [?would] not be realised. He said that members of the League should understand that they were at the crossroads and that if Japan left the League the League would become merely a European institution. I said that I was sure that all members realised that but he would doubtless also understand that certain members would feel the choice lay between the League confined to Europe and a League which by abandoning its principles would fail to command any confidence anywhere.

Secretary General informs me that the Chinese delegation have raised no substantial objection to texts but have also telegraphed for instructions.

There is no definite reply from United States of America but United States Minister has indicated that United States of America will only take part if Japan willingly comes in and welcomes their collaboration.

Monsieur Litvinoff who has now left Geneva indicated that Union of Soviet Socialist Republics would not 'necessarily refuse'.

Please repeat to Tokyo and Nanking.

No. 132

Mr. Patteson (Geneva) to Sir J. Simon (Received December 17, 9.30 a.m.)

No. 465 L.N. Telegraphic [F 8678/1/10]

GENEVA, December 17, 1932, 1 a.m.

Following from Mr. Cadogan.

Drafting committee met this afternoon¹ to learn results of conversations of President and Secretary-General with representatives of parties. Views of Chinese delegate were as reported in my telegram No. 464² and discussion

¹ i.e. December 16.

² No. 131.

with Japanese delegate appears to have tallied very closely with my own conversations reported in my telegram No. 464.

Secretary-General believed it would be possible to bring Japanese down to a reasonable basis if any way could be found of meeting them over last paragraph of statement of reasons but without some concession on this point there was no chance of initiating conciliation. If principles of Lytton Report were accepted in general terms there seemed no need specially to pick at two points in that paragraph. Certain members of committee however considered some such paragraph was necessary to counter-balance fact that conciliation was being commenced while Chinese territory was under military occupation. It was eventually decided that alternative draft of last paragraph of text which is contained in my immediately following telegram³ might be offered to Japanese in return for reasonable attitude on their part in regard to other amendments proposed by them.

Drafting committee will meet tomorrow afternoon when replies of governments may be expected and Committee of Nineteen possibly on Monday.⁴

Please repeat to Tokyo and Nanking.

³ No. 133.

⁴ December 19.

No. 133

Mr. Patteson (Geneva) to Sir J. Simon (Received December 17, 9.30 a.m.)

No. 466 L.N. Telegraphic [F 8677/1/10]

GENEVA, December 17, 1932, 1 a.m.

Following from Mr. Cadogan.

My immediately preceding telegram.¹

'Assembly will take final decision.

'That decision will determine matters relating to existing régime in Manchuria and *must be consistent with Article 10 of Covenant.*

'Pending that decision no question of recognition of existing régime can arise for any member of the League.'

¹ No. 132.

No. 134

Sir J. Simon to Mr. Ingram (Nanking)

No. 109 Tour. Telegraphic [F 8582/1108/10]

FOREIGN OFFICE, December 17, 1932, 2.10 p.m.

Your telegram No. 419 Tour¹ (of 10th December: list of Shanghai claims), paragraph 2.

You should adopt second alternative. This will not preclude eventual recourse to third alternative if it should later prove necessary.

¹ No. 102.

I approve generally the terms of your proposed note as quoted in your telegram No. 420 Tour² (of December 10th).

Please repeat to Tokio.

² No. 107.

No. 135

Mr. Holman (Peking) to Sir J. Simon (Received December 17, 6 p.m.)

No. 903 Telegraphic [F 8693/63/10]

PEKING, December 17, 1932¹

Following received from Shanghai No. 270 of December 13th. Begins:

Addressed to Peking No. 270 of December 13th, repeated to Mission and Commander-in-Chief.

My telegram No. 269.²

Possibility of withdrawal of British troops owing to difficulty of accommodation³ was communicated confidentially to committee of British residents association yesterday. They were strongly opposed to withdrawal and it has been suggested that if Chamber, wealthy firms, and especially the land investment companies were approached something might be done about (? a long) lease of site at a nominal rental.

Do you wish me to proceed with the matter?⁴

¹ The time of despatch is not recorded.

² This Shanghai to Peking telegram has not been traced in Foreign Office archives.

³ Cf. No. 83.

⁴ Mr. Ingram's reply in Nanking telegram No. 67 to Shanghai (repeated to the Foreign Office in Nanking telegram No. 428 Tour of December 14) is not preserved in Foreign Office archives. According to the docket it instructed Sir J. Brenan 'not to proceed with matter at present'.

The above telegram (No. 903) is minuted as follows: 'I think it was unwise of Sir J. Brenan to mention this matter to British Residents. They may now get the idea that all that they have to do to keep the troops *ad infinitum* is to house them free. The question of accommodation must be subsidiary to political and strategic considerations. The War Office, it is true, have raised the question of early withdrawal on the excuse of the difficulty of accommodation but I submit that we must first decide, and then see what can be done for housing the troops if it is necessary to retain them at Shanghai after the end of 1933. V. A. L. Mallet 19/12.' 'I agree. C. W. Orde 20/12.'

No. 136

Mr. Patteson (Geneva) to Sir J. Simon (Received December 18, 9 a.m.)

No. 467 L.N. Telegraphic [F 8683/1/10]

GENEVA, December 18, 1932, 12.30 a.m.

Following from Mr. Cadogan:

Drafting Committee met this afternoon.¹ President and Secretary-General were optimistic as regards their negotiations with Japanese delegation. Com-

¹ This telegram was drafted on December 17.

munication from Chinese delegation indicated various points in regard to which Chinese Government is dissatisfied with draft resolution and statement but means can probably be found of meeting their objections. As instructions from Japanese Government had just arrived and had not yet been decyphered Drafting Committee will meet again tomorrow afternoon.

Please repeat to Tokyo and Nanking.

No. 137

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 19, 4 p.m.)
No. 417 Telegraphic [F 8688/1/10]

TOKYO, December 18, 1932, 9.59 p.m.

My immediately preceding telegram.¹

If you approve of the suggestion I could discuss it privately with some of my colleagues who might support it with their governments.

¹ No. 138. These two telegrams were despatched in the reverse order.

No. 138

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 18, 5.20 p.m.)
No. 416 Telegraphic [F 8687/1/10]

TOKYO, December 18, 1932, 10 p.m.

Your telegrams Nos. 153, 154, and 155.¹

From the beginning it has been clear that Japan would not accept any serious interference from outside with her Manchurian policy and she is certain to raise strongest objections to some of the proposals in your telegrams.

I suggest the time has come when it is best for all to face the true situation and with the greatest deference, and knowledge that proposal may be impossible to put into practice, I am convinced wisest course is for League to pass resolution approving first eight chapters of Lytton report as fair and impartial statement of facts and to recommend that parties enter into direct negotiations for a settlement.

Unless a resolution of this kind is passed I see no end to the exasperation and heat that will develop especially if Soviet Russia is involved.

My recommendation is based on the supposition that the British Empire is not prepared to face war.

Repeated to Peking.

¹ Telegrams Nos. 461, 462, and 463 of December 16 from Geneva to the Foreign Office (i.e. Nos. 126-8) had been repeated to Tokyo as Nos. 153, 154, and 155.

No. 139

Mr. Ingram (Nanking) to Mr. Patteson (Geneva)

No. 127 Tour.¹ Telegraphic [F 8734/1/10]

NANKING, December 18, 1932

Publicity is given to resolution submitted to third plenary session of central executive Committee of Kuomintang (just opened) by Sun fo, Wu,² Minister of Finance, Minister of Industry, Mayor of Shanghai³ and others.

2. Gist of resolution, after declaring futility of China depending on League, Great Britain, France and United States is that (a) Chinese should concentrate military forces in Jehol, Charhar [*sic*], and Hopei where Commanders should be instructed to resist attempts at invasion and if opportunity permits to recover China's lost territory. (b) Government and Kuomintang should support with supplies Chinese volunteers and troops in Manchuria to offer prolonged resistance and⁴ Japanese. (c) Government and Kuomintang should encourage and direct national intensity⁵ boycott movement against Japanese goods on ground that if Japan can openly invade Chinese territory there is no reason why China should not adopt this milder form of resistance.

3. Chinese press of last few days has been working up towards something of this nature urging that since China has been wrong to pin her faith in League and Imperialistic Powers, rapprochement with U.S.S.R. is to be welcomed and China should . . . ⁶ rely on her own efforts and resources.

Repeated to Foreign Office, Peking.

¹ Repeated by wireless on December 18 as No. 431 Tour to the Foreign Office, received at 11.30 a.m. on December 20.

² Dr. C. C. Wu, chief administrative officer, Special Administrative Area of Kiungchow, Kwangtung, since March 1932.

³ A note on the filed copy gives the holders of these three positions as 'T. V. Soong', 'Ch'en Kung-po', and 'Wu Tieh-ch'eng' respectively.

⁴ This word read 'to' in another copy of this telegram.

⁵ A note on the filed copy suggests that this word should be either 'intense' or 'intensive'; cf. No. 161 below, paragraph 9.

⁶ The text is here uncertain: it should probably read: 'should now rely', cf. *ibid*.

No. 140

Mr. Ingram (Nanking) to Mr. Patteson (Geneva)

No. 129 Tour.¹ Telegraphic [F 8740/1/10]

NANKING, December 18, 1932

My telegram No. 127.²

I drew serious attention of Minister for Foreign Affairs . . . ³ to text of this resolution and trend I had recently observed in Chinese press. I told Minister

¹ Repeated by wireless on December 19 as No. 433 Tour to the Foreign Office, received at 11.30 a.m. on December 20.

² No. 139.

³ The text is here uncertain.

for Foreign Affairs that in my opinion wide publicity given to such a resolution with such sponsors, even if it were not passed, and line taken by press could only aggravate situation and render doubly...⁴ task of China's friends who were exerting every effort to set up conciliation commission on basis of Lytton Report. Overt government support for boycott seemed to me most ill-advised and would set back the clock particularly in sphere of administration of justice which was just beginning to free itself from undue external influence, Tangpus⁵ etc.

2. Minister for Foreign Affairs professed ignorance of resolution as he was not a member of Central Executive Committee but I told him I had Sun Fo's authority for its authenticity and that although underlying idea of resolution and language of press might be justified as necessary to stimulate greater spirit of self-reliance among population of China it seemed to me that they could not have been voiced at more inappropriate time so far as international situation and Geneva were concerned. I begged him therefore to take cognizance of them and look at them from this aspect. Minister for Foreign Affairs finally said that he did not think any of the resolutions involving government support of boycott would be passed.

3. I next tackled Minister for Foreign Affairs on current rumours that China contemplated a complete change of foreign policy and retirement from the League. Minister for Foreign Affairs said as regards latter that certainly the time had not yet come for such a step but he would not commit himself as to circumstances which might induce it. They still looked to the League for justice. As regards Union of Soviet Socialist Republics resumption of relations merely added one more to their friends.

4. As regards progress at Geneva he drew my attention to difference between Shanghai and Manchuria cases as field for conciliation. There were no third parties involved, as at Shanghai in International Settlement. In Shanghai China had been in position to offer adequate resistance: in Manchuria only inadequate. Principle at stake in Manchuria was far more important than at Shanghai and fundamental aims of both parties far more divergent. Minister for Foreign Affairs did not therefore look with confidence for similar results in case of Manchurian problem. If he cannot obtain justice then only the League is hurt; China cannot be much worse off regarding Manchuria than at present.⁶

Repeated to Foreign Office No. 433, Peking and Tokyo.

⁴ The text is here uncertain. A note on the filed copy suggests 'difficult'.

⁵ A note on the filed copy here reads: 'party committees'. Cf. No. 30, note 5.

⁶ Mr. Ingram's language was approved in Foreign Office telegram No. 317 of December 29 to Peking.

No. 141

Mr. Ingram (Nanking) to Mr. Patteson (Geneva)

No. 130 Tour.¹ Telegraphic [F 8761/1/10]

NANKING, December 18, 1932

My immediately preceding telegram.²

I have done my best to hearten the people here and induce more reasonable and less despondent attitude³ but United States minister who for obvious reasons remains aloof and tends to scepticism where League questions are concerned has left Nanking and my French colleague seems chary of butting in. Italian Minister has only been up for two nights.

Repeated to Foreign Office, Peking and Tokyo.

¹ Repeated by wireless on December 20 as No. 434 Tour to the Foreign Office, received at 3.30 p.m. on December 20.

² No. 140.

³ For some Chinese press comments of December 16 and 18 on Great Britain's alleged attitude towards China see No. 161 below, §§7 and 8; cf. *F.R.U.S.* 1932, vol. iv, pp. 443-4.

No. 142

Mr. Patteson (Geneva) to Sir J. Simon (Received December 19, 9.30 a.m.)

No. 469 L.N. Telegraphic [F 8695/1/10]

Immediate

GENEVA, December 19, 1932, 12.15 a.m.

Following from Mr. Cadogan.

M. Matsudaira came to see me this morning¹ and gave me alternative text of resolution and statement of reasons which he said he had now received from Tokyo.

2. These are practically identical with those suggested by Japanese Delegation here (see my telegram No. 464)² and it looks therefore as though Japanese policy were formulated here subject to approval from Tokyo.

3. Only serious addition is that Japanese Government desire paragraph 4 of resolution to run 'besides to set up a committee whose duty will be to endeavour to pave the way for opening negotiations between the parties'.

4. I expressed doubt as to whether it would be possible to get this text accepted by Committee of Nineteen. M. Matsudaira went through other points with me and I spoke in much the same sense as I had spoken to M. Sato. He said that he thought that his Government would not lay equal stress on all points. Chief difficulty lay in last paragraph of statement of reasons.

5. My French colleague told me this afternoon that he had heard from Paris that Japanese Ambassador had this morning interviewed M. Berthelot and had complained that it was French member of Drafting Committee alone who had insisted at yesterday's meeting that last paragraph of statement of

¹ The telegram was drafted on December 18.

² No. 131.

reasons should be maintained. This is quite incorrect. It is quite clear that Committee of Nineteen will insist on something on lines of that paragraph being included and French member merely suggested an alternative draft which he hoped might be more acceptable to Japan. My French colleague told me that he had seen M. Sato this morning from whom he gathered that Japanese Government might not insist on retention of phrase in paragraph 4 of the resolution excluding principles 7 and 8 provided that phrase about 'realities' could be retained.

6. Drafting Committee met again this afternoon when it was recognised that instructions now received from Tokyo were probably merely confirmation of suggestions telegraphed by Japanese Delegation here. Seeing that President and Secretary-General had made certain alternative suggestions to Delegation who had probably telegraphed them to Tokyo it was decided that it might be well to wait for a day or two to see whether Tokyo would weaken on any point.

7. Drafting Committee will meet tomorrow afternoon and Committee of Nineteen probably on Tuesday.³ If no agreement has been reached by then and unless either side has returned flat and final negative, intention is to propose that Committee of Nineteen should authorise President and Secretary-General to continue negotiation and to report to Committee of Nineteen at their next session about January 15th. In that event the Assembly would not meet till after that date. Delay would be regrettable but it seems essential to make every effort to set conciliation in motion. Simple confession of failure at this moment might be dangerous.

8. It seems to me that chief difficulties from Japanese side are:—

(1) Phrase quoted in paragraph 3 above which could be interpreted to mean leaving the parties alone to negotiate. This seems quite inadmissible and we should have to try to get formula admitting mediation of other Powers.

(2) Exclusion of principles 7 and 8 which seems also quite inadmissible. Japanese may drop this if we can get some phrase on lines of their 'realities'.

(3) Refusal to associate United States and Union of Soviet Socialist Republics with negotiations. I presume that we maintain the necessity for this.

(4) Last paragraph of statement of reasons. It will be difficult to get the Committee simply to drop this. Following alternative has been proposed: 'After submission of dispute to the Assembly one of the parties has recognised Manchukuo a course which other members of the League deem themselves to have been precluded from adopting by terms of resolution of March 11th. But it is clear that fact that one party has recognised Manchukuo cannot be allowed to prejudice the final settlement of the dispute'. This alternative might be removed from the end of the statement and inserted in an earlier passage where it would be less unpalatable to the Japanese. If you approve could His Majesty's Ambassador Tokyo be instructed to urge Japanese Government to meet us as far as possible on the above difficulties? It might

³ December 20.

also be useful for me to inform the Japanese Delegation privately of the views of His Majesty's Government. Would you authorise me to speak on the above lines if I should consider it desirable? To be useful instructions ought to reach me if possible by telephone tomorrow Monday.⁴

Please repeat to Tokyo and Nanking.

⁴ In a minute dated December 19 Mr. Orde noted that 'it seems hardly possible in the absence of the Secretary of State to give Mr. Cadogan the authority to speak to the Japanese Delegation which he seeks in the last paragraph, and he has, therefore, been told by telephone, after consultation with Sir V. Wellesley and with Mr. Eden's concurrence, that we cannot do so'. Later Sir J. Simon commented as follows on this telegram and Sir F. Lindley's No. 416 (No. 138): 'It is impossible, I think, to judge the niceties away from Geneva. For the same reason, I doubt the validity of Sir F. Lindley's recommendation. Art. 15 para. 3 of the Covenant provides that the *League* shall promote a settlement, not that the parties shall be left to themselves. And Japan's occupation of Manchuria does not leave the parties on equal terms. Our wisest course is to proclaim ourselves throughout the friend of both sides: a suggestion from us that we should leave China to the tender mercies of Japan would drive Nanking frantic. It is China that will object to Japan's draft and that is just as fatal as Japan's objecting. We should keep out of the limelight, take no unnecessary responsibility, and let the thing drag on till the end of January. This is, of course, all subject to yesterday's and today's news but I have not the smallest belief in a prompt agreement. J. S. Dec. 20.'

No. 143

Mr. Patteson (Geneva) to Sir J. Simon
(Received December 20, 9.30 a.m.)
No. 471 L.N. Telegraphic [F 8732/1/10]

GENEVA, December 19, 1932, 11 p.m.

Drafting ...¹ agreed today on draft statement, (Text in my immediately following telegram),² which the Committee of Nineteen will be asked to adopt and make public at their meeting on Tuesday³ morning. Should efforts at conciliation unfortunately eventually break down it is feared that any long delay between such breakdown and further action of Assembly under paragraph 4 of Article XV of the Covenant might have dangerous repercussions in the Far East. Secretary will therefore during three weeks⁴ begin the preparation of the draft report to be made under paragraph 4 of Article XV but it is desirable that this should be kept absolutely secret; steps are being taken to inform privately each delegation represented on the Committee of Nineteen so as to avoid any discussion of the question at the meeting on Tuesday.

Further instructions expected by the Japanese Delegation have not yet arrived.

Please repeat to Tokyo and Nanking.

¹ The text is here uncertain. A note on the filed copy suggests the insertion of 'Committee'.

² No. 148.

³ December 20.

⁴ This should probably have read: 'during next three weeks'.

Sir J. Simon to Mr. Ingram (Peking)

No. 1016 [F 8535/1/10]

FOREIGN OFFICE, *December 19, 1932*

Sir,

It is probable that consideration will have to be given frequently in future to the means by which the continued performance by His Majesty's consular officers in Manchuria of their ordinary consular duties may be made to conform to the fact that the new 'Manchukuo Government' has not been recognised by His Majesty's Government.

2. The question has already arisen in connexion with (a) the grant of visas on Manchurian passports (see my telegram No. 94, Tour,¹ of the 1st December); (b) certification of the signature and seal of the Manchurian Customs (see Tokyo telegram No. 388² and my telegram to Tokyo No. 151,³ copies of which are enclosed herein); and (c) verification of the signature of a British subject making an application to the Manchurian Customs (see your despatch No. 1236⁴ of the 24th September).

3. I have therefore thought it desirable to give you some explanation of the following general principles on which cases of this nature should be decided:—

- (1) So far as possible nothing should be done by His Majesty's consular officers which could be interpreted expressly or by implication as a declaration that the officer in question regards the new Manchurian Government as the proper Government of the country.
- (2) In so far as any action taken in the course of routine consular duties does not expressly or by necessary implication involve such a declaration, His Majesty's consular officers may perform their usual functions.
- (3) Each particular technical matter as it arises should be considered on its merits in the light of principles (1) and (2).

Thus, an attestation by one of His Majesty's consular officers that the signature of a British subject was affixed in his presence, &c. (case (c) above), does not, in my opinion, infringe principle (1), since for whatever purpose the attestation of the signature may be required the consular officer does no more than certify that the signature is that of the person who has purported

¹ This telegram, not printed, said that 'no further British visas should be affixed to Manchurian passports'.

² This telegram of November 18, not printed, repeated the following telegram from H.M. Consul at Dairen to Sir F. Lindley: 'I presume I should refuse to certify seal of Manchukuo customs at Dairen on opium landing certificates despite desirability of such certification from other points of view.'

³ This telegram of November 25, not printed, referred to Tokyo telegram No. 388 (see note 2 above) and said that 'attestation of authenticity of seal as that of customs house in fact operating at particular place can be given without objection. What must be avoided is attestation that it is seal of an authority of a government recognized by His Majesty's Government'.

⁴ Volume X, No. 711.

to give it. For this reason I approve your action, reported in your despatch No. 1236 of the 24th September, in authorising His Majesty's consul-general at Mukden to sign Mr. Shaw's application to the Antung Customs for an Inland Waters Certificate. Similarly, in case (b) above, I consider that a consular attestation of the fact that a given seal is that of the Customs in fact operating at a particular port in Manchuria cannot be regarded as conveying anything more than it says, and therefore there is no objection to a consular officer making such an attestation. Without an inspection of the actual document, it is hardly possible to say whether the certification of the signature and seal on the particular document in case (b) above would convey nothing further.

4. On the other hand, in the case of visas on passports (case (a)) there is a danger that a consular visa on a Manchukuo passport might be held to signify that the consul who affixed it not only saw no reason why the holder of the passport should not be admitted into the United Kingdom, but also that the passport was, in his opinion, one issued by a proper authority. Such a case should therefore be regarded as one coming within principle (1).⁵

5. I request you to explain the foregoing principles to His Majesty's consular officers in Manchuria and instruct them to be guided accordingly. They should, however, ask for instructions in any case in which they are in any doubt as to the implications involved.

6. I am sending a copy of this despatch to His Majesty's Ambassador at Tokyo.

I am, &c.,
JOHN SIMON

⁵ At the end of a minute of November 30 on the lines of this despatch, Mr. Beckett, Second Legal Adviser in the Foreign Office, wrote:

'This is how I think that each of the matters has to be dealt with and considered, and I do not think it is any good trying to convey any general explanations of our attitude to the Manchurian authorities. If we authorise something which does technically amount to recognition, we can hardly get out of it by at the same time explaining that this is not what we meant. The thing we have done either does or does not amount to recognition, and it seems to me that one must simply decide the case upon its own merits & if need be justify it accordingly.'

No. 145

United Kingdom Delegate (Geneva) to Foreign Office
(Received December 21)

No. 385 L.N. [F 8764/1/10]

GENEVA, December 19, 1932

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

<i>No. and Date</i>	<i>Subject</i>
Sir J. Pratt, Dec. 17.	Manchuria: record of conversation with M. Matsudaira.

GENEVA, *December 17, 1932*

Mr. Matsudaira came to see me this afternoon just before the meeting of the drafting Committee. He said that Mr. Sato had explained to Mr. Cadogan the Japanese Delegation's views on the draft resolution, etc.¹ and he (Mr. Matsudaira) wished to see me on a different matter. The Secretary of State had urged upon him that the Japanese Government should agree to an invitation being sent to Soviet Russia because it would be awkward if Japan objected *after* the invitation had been sent. The Japanese Government had returned an unfavourable reply, but the invitation to Russia had nevertheless been put into the draft resolution. He would like to know how this had come about. I replied that I could only give him my personal idea of what I imagined the explanation to be. The reply of the Japanese Government (see Tokyo telegram No. 414)² had not been a definite refusal. They merely found 'difficulty in according an anticipatory consent'. This appeared to mean that they would not say either 'Yes' or 'No' until they had seen the terms of the invitation. In these circumstances it seemed quite natural that the draft resolution should include an invitation to Russia, especially as the resolution was to be shown to the Japanese delegation in draft form before it was produced in the Assembly.

His Excellency seemed satisfied with this explanation and then referred to another point. The Secretary of State had told him that he was working for a small committee of conciliation, with American and Russian participation, and Mr. Matsudaira had so reported to his Government. In the draft Resolution, however, this committee of conciliation was a large body of 21 persons. Had he reported wrongly to his Government or had the Secretary of State changed his mind? I replied that he had reported quite correctly. We still favoured a small body for conciliation and we hoped that this result would be achieved by the appointment of sub-committees of the larger committee.

Finally Mr. Matsudaira said that in view of their instructions that there should be no outside interference in Sino-Japanese negotiations, he hoped we would make it clear in the draft Resolution that the negotiations were between China and Japan and that the other members of the Committee were conciliators and not negotiators.

J. T. PRATT

¹ Cf. No. 131.² No. 115.

No. 146

Mr. Ingram (Nanking) to Sir J. Simon (Received December 20, 11.55 a.m.)
No. 436 Tour. Telegraphic: by wireless [F 8735/1/10]

NANKING, December 20, 1932

My telegram No. 422 (Tour).¹

Minister for Foreign Affairs tells me he had caused statement, gist of which is contained in my immediately following telegram,² to be published in the press throughout China. So far I have only noticed it in the corner of local . . . ³ which is semi-official organ of Kuomintang on December 16th. Repeated to Peking and Tokyo.

¹ No. 114.

² No. 147.

³ The text is here uncertain: 'paper' is suggested in a note on the filed copy.

No. 147

Mr. Ingram (Nanking) to Sir J. Simon (Received December 20, 11.30 a.m.)
No. 437 Tour. Telegraphic: by wireless [F 8736/1/10]

NANKING, December 20, 1932

My immediately preceding telegram.¹

Greater interest was aroused on British side when attention was drawn to the pro-Japanese bias of Sir John Simon's speech. It is reliably reported that British authorities have taken steps directly and indirectly to point out to Chinese Government that speech's main object was to promote conciliation, that there was no intention of favouring either party, that Great Britain is a loyal member of the League and one of the strongest supporters of the Covenant and that it is hoped that no misunderstandings will arise on Chinese side on account of speech.

Repeated to Peking and Tokyo.

¹ No. 146.

No. 148

Mr. Patteson (Geneva) to Sir J. Simon (Received December 20, 12.20 p.m.)
No. 472 L.N. Telegraphic [F 8737/1/10]

GENEVA, December 20, 1932, 12.15 p.m.

My immediately preceding telegram.¹

'In conformity with mission entrusted to it by the Assembly's resolution of December 9th, 1932, Committee of Nineteen drew up texts indicating generally basis on which conciliation between contending parties [should] be effected and procedure to be followed with that object. These texts which

¹ No. 143.

took the form of two draft resolutions and a statement of reasons were brought to the knowledge of the parties through Chairman of Committee and Secretary-General. Both parties presented observations. Ensuing conversations will require a certain amount of time.

In these circumstances the Committee recognising that it must continue its efforts to arrive at an agreement on so grave a question thought it expedient, in order to allow aforesaid conversations to be pursued, to defer its meeting to January 16th at the latest.

Committee decided not to publish texts referred to above so long as conversations upon them are proceeding with parties.²

² Geneva telegram No. 474 L.N. of even date (received at 1 p.m. on December 20) said that the Committee of Nineteen had approved the publication of this statement, and that the President would issue a further statement emphasizing that the adjournment was due solely to the desire to pursue conciliation and expressing the hope that Japan would be conciliatory and China patient.

No. 149

Sir J. Simon to Sir F. Lindley (Tokyo)

No. 164 Telegraphic [F 8688/1/10]

FOREIGN OFFICE, *December 21, 1932, 5.15 p.m.*

Your telegrams Nos. 416 and 417¹ (of December 18th. Sino-Japanese dispute).

1. The alternative to efforts at mediation is the immediate proceeding to judgement. See paragraphs 3 and 4 of article 15 of the Covenant. I feel sure that the Japanese delegation well understand that it was for this very reason that I urged in my speech that methods of conciliation should first be exhausted, and did my utmost to hold scales fairly. The procedure you suggest might well result at Geneva in a revulsion of feeling in favour of China, for Japan's military occupation of Manchuria gives her advantage in negotiation. You should not therefore speak to your colleagues.

2. I fully appreciate the difficulties that will arise for all of us if there is a deadlock between China and Japan, but danger of such a situation would not be lessened by procedure you suggest, for League cannot divest itself of responsibility. Our aim will naturally be to avoid reaching a point at which serious Japanese exasperation against us is to be feared. If Matsudaira and Matsuoka were speaking on the instructions of their government when they thanked me so warmly for my intervention, this should stand us in good stead. On the other hand the Chinese government did not at all like my outspokenness as to its shortcomings.

Repeated to Peking No. 308.

¹ Nos. 137 and 138; cf. note 4 to No. 142.

No. 150

Mr. Patteson (Geneva) to Sir J. Simon (Received December 22, 9.30 a.m.)
No. 475 L.N. Telegraphic [F 8793/1/10]

GENEVA, December 22, 1932, 1.40 a.m.

Following from Sir J. Pratt.

Mr. Matsuoka had long interview with Secretary General¹ and informed him that instructions had now been received from Tokyo but that Japanese government had refused to give way on any point and had rejected all suggestions for compromise proposed by Japanese delegation here. Matsuoka realised with regret that this meant the final break-down of efforts at conciliation. Secretary General is inclined to agree but thinks there may still be some chance of Japanese government adopting a more reasonable attitude if the influence of the great Powers were expressed in that direction.

No change is contemplated in arrangements already made namely negotiations will nominally continue till January 16th when Committee of 19 will meet.

Please repeat to Tokyo and Nanking.

¹ On Tuesday afternoon, December 20.

No. 151

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 25, 1933)
No. 676 [F 570/33/10]

TOKYO, December 22, 1932

Although I was anxious to use what small influence I possess to induce the Japanese Government to adopt a moderate attitude at Geneva, I did not feel it wise during the early treatment of the Sino-Japanese dispute by the League of Nations to hold any official conversations at the Gaimusho. I felt that, being necessarily ignorant of what was passing between yourself and the Japanese Delegation, any intervention on my part might serve rather to complicate than to assist a satisfactory solution. I restricted my action, therefore, as reported in my telegrams Nos. 410 and 411¹ of the 9th instant, to endeavouring to ascertain from the press and from reliable foreign newspaper correspondents what was the reaction here to the proceedings of the League. And I ascertained beyond doubt that the Japanese Government did not welcome a reference of the dispute to the Committee of Nineteen, on the old ground that Article XV of the Covenant should not have been applied to it. Nor was the Government favourably disposed towards the proposal to add an American and a Russian to a committee of conciliation.

2. The receipt of your telegram No. 39,² Immediate, of the 10th instant enabled me to make a direct approach to the Minister for Foreign Affairs

¹ Nos. 93 and 94.

² No. 98.

and I at once sought an interview with him which was accorded me on the morning of the 12th.³ I found Count Uchida as agreeable, personally, as usual and he spoke in a most cordial manner of the friendly and helpful attitude adopted by yourself, Sir, at Geneva in dealing with this complicated matter. I then read to him the paragraph of your telegram which described your conversation with Mr. Matsudaira on the 10th December, without mentioning your belief that the Japanese delegation were in favour of extending an invitation to America and Soviet Russia. I pointed out to the Count that, if conciliation was not set on foot under paragraph 3 of Article 15, the next procedure would necessarily be to consider the dispute under paragraph 4 of that Article. This would constitute a change for the worse from the Japanese point of view and it was entirely in the interests of the Japanese Government to do all they could to prevent this more serious stage being reached. I dwelt on the efforts which were being made by yourself and others to effect a conciliatory solution which would, in the end, prove greatly to the interest of Japan; and I trusted to His Excellency to recognise where Japanese interests truly lay and to do all he could to make your task easy.

3. Count Uchida, in again expressing his appreciation of your action, stated that two points required to be elucidated before the Japanese Government could give a definite answer. The first point regarded the proposed conciliation committee. Could I tell him whether it was to be a body set up by the League as part of the League machinery, or was it to be considered as an outside body? The second point concerned the status of, and the part to be played by, the American and Soviet members of the Committee, if such members were added to it. He had telegraphed to Geneva for further information on these two points and would give me a definite reply as soon as he had received that information. Before I left, Count Uchida added that the question was one of the greatest delicacy because, as had been repeatedly made clear by Japan, she had recognised the independence of Manchukuo and could not accept any compromise on that point.

4. On the following morning the 'Asahi' distributed an extra leaflet in the streets containing a telegram, ostensibly from Geneva, to the effect that I had the day before 'threatened' the Minister for Foreign Affairs that recourse would be had to paragraph 4 of article XV if the Japanese Government refused the proposals then before them at Geneva for a settlement.⁴ I should explain that, since the outbreak in Manchuria of September 18th, 1931, sensational leaflets have been distributed constantly by the various newspapers containing reports which were often either exaggerated or entirely untrue. As a result of this leaflet, numerous telephonic enquiries were received at the Embassy from newspaper correspondents and others regarding the truth of the report, and the Secretary of the Chinese Legation hurried round to ask what had really occurred. To all enquiries we replied that I had yesterday had a most friendly conversation with the Minister for Foreign Affairs on general topics and that it was a ridiculous invention to suggest that any threats had been used on either side. In view of the interest aroused

³ See Nos. 106 and 109.

⁴ See No. 115.

by the 'Asahi' leaflet, I thought it as well to request the Vice-Minister for Foreign Affairs to receive me in order that I might remonstrate with him and induce him to issue some kind of *démenti*. On my arrival at the Gaimusho on the afternoon of the 13th, the Vice-Minister informed me that Count Uchida would like to see me; and I at once mentioned the question of the leaflet to the Count, who had a copy of it on his table. He was evidently more amused than annoyed by the report and promised that the Gaimusho should set the matter right. This was later done in a satisfactory manner. His Excellency then went on to speak of our conversation of the day before and told me that, although the fresh explanations he had called for from Geneva had not yet been received, the Cabinet had decided that morning to send an interim reply, of which he gave me a copy in writing. I had the honour to telegraph the text in my telegram No. 414⁴ of the 13th instant, and it is sufficient here to repeat that it expressed serious doubts regarding the proposal to invite a representative of the United States and of the Soviet Government to participate in the work of the proposed commission on account of the fact that they were not Members of the League and therefore would not incur the responsibility which fell upon such members. The reply went on to mention that the attitude of Japan towards the Committee of Nineteen was already known and that this attitude made it difficult for the Japanese Government to give an anticipatory consent to the participation of the United States and of the Soviet—especially since neither the nature nor the powers of the commission, nor the relations of the United States and of the Soviet Republic to the Covenant appeared to be satisfactorily defined. Although the Minister emphasised the fact that this reply was not a final one, in the absence of the explanations he had asked for, it was easy to see that the Japanese Government had no intention of accepting the proposal, at any rate as it stood.

5. In the meantime, I had most opportunely received your telegram No. 40⁵ from Geneva of the 13th [? 12th] instant reporting a conversation with Mr. Matsuoka which took place that evening. I had a copy of this telegram in my pocket and asked Count Uchida to read it. After doing so, he asked me whether the small committee proposed would be necessarily chosen from the Committee of Nineteen or might include the Soviet and American members and representatives of other Powers who were not on the Committee of Nineteen. To this I replied that I had no information other than that contained in your telegram.

6. On December 18th I received your telegrams Nos. 153, 154 and 155⁶ containing the draft Resolution which it was proposed the Assembly should pass and the draft Statement of Reasons which was to accompany the Resolution. On reading these through carefully, it seemed to me clear that the Japanese Government would have insuperable objections to certain passages which the League would consider essential to include; and I felt

⁵ No. 109.

⁶ These were the numbers of the repetition to Tokyo of Geneva telegrams Nos. 461, 462 and 463 to the Foreign Office (i.e. Nos. 126-8).

that possibly the Japanese Delegation at Geneva, quite unwittingly, had given you the impression that their Government was more inclined to make concessions than was in reality the case. There would have been nothing surprising in this since delegations, subject as they are to the influence of those around them, are often inclined to hold more encouraging language than is justified. In short, I felt fairly sure that proposals for conciliation under paragraph 3 were doomed to almost certain failure and that the time had come to face once more the realities of the situation as it was likely to develop. It was in these circumstances that I had the honour to address to you my telegram No. 416⁷ of the 18th instant in which I recalled that Japan had never wavered since September 18th, 1931, in her determination not to permit any serious outside interference with her policy in Manchuria. In the face of this disagreeable fact I expressed the conviction that the wisest course for the League was to pass a resolution approving the first eight chapters of the Lytton Report as a fair and impartial statement of the facts and to recommend that the Parties enter into direct negotiations for a settlement. I put forward this proposal with the greatest deference and with the knowledge that it might be impossible for it to be carried out. In explanation I have the honour to add that it seems to me to have the advantage of conveying to Japan the expression of disapproval on the part of the League which their proceedings deserve and of enabling the League to escape, with some diminution of prestige it is true, from a position which must lead otherwise either to a deadlock or to the application of sanctions which would in all probability involve war. This is the old dilemma which has existed ever since the League took the matter up and which will have to be faced sooner or later. In this connection I should mention that Mr. Haas, the very able Secretary of the Lytton Commission, expressed to me in confidence, when here, his conviction that the triangular dispute between Japan, China and the League over Manchuria was quite incapable of any solution by conciliation. He foresaw, as long ago as last summer, that a deadlock was inevitable. I submit with the greatest deference that my proposal is the least unsatisfactory method of dealing with this deadlock.

7. This morning I had the honour to receive your telegram No. 164⁸ of the 21st December, in which you were good enough to explain the weighty objections which exist to the proposal set forth in the preceding paragraph. I deeply appreciate your having supplied me with these explanations and I quite understand that it is necessary to exhaust all chances of conciliation before considering what next is to be done. I can only express the fervent hope that these efforts will succeed.

I have, &c.,
F. O. LINDLEY

⁷ No. 138.

⁸ No. 149.

Mr. Clark Kerr¹ (Stockholm) to Sir J. Simon (Received December 29)

No. 457 [F 8883/1/10]

STOCKHOLM, December 22, 1932

Sir,

The statement made about the Manchurian question by the Swedish representative at the Assembly of the League of Nations on the 6th instant² has found widespread support in this country. From the start Swedish opinion has wholeheartedly disapproved the Japanese excursion into Manchuria and has felt disappointment that the League's intervention has not been more determined and more effective.

2. Most of the newspapers have recently devoted leading articles to the matter, deploring the policy of conciliation and claiming that, throughout the conflict, the mistake the League has made has been to show too much conciliation to Japan. This, they claim, is the view generally held by the minor powers. The suggestion that these minor powers demand severe measures because they are sheltered from the responsibilities and the risks of such measures is rejected with indignation. It is declared that they too have interests to safeguard and the chiefest of these is to keep the League alive, to strengthen its authority and to make it a power that can assert itself even against a great power such as Japan. The prestige of the League is imperilled and the final result of the present discussions is awaited with suspense. In any case Sweden has no reason to be ashamed of her contribution to the debates at Geneva. She has made herself the mouthpiece of justice and has fulfilled the ancient and honourable traditions of this country.

3. 'Göteborgs Handelstidningen' has been alone in dismissing the question of principle and discussing the practical difficulties of the matter. It sets aside united economic action against Japan as inconceivable. To make serious economic sacrifices, which in any case would be thrown away, simply because the Japanese are creating a dependency in Manchuria cannot be regarded as sound *Realpolitik*. The fact that the Swedish representative at Geneva has expressed himself in a way that is unpalatable to the Japanese is causing concern in some quarters. Sweden has her trade to think of and it is wiser not to take sides. This is what cautious people are thinking all over the world.

4. In official circles however the majority view is shared and it is still hoped that means may be found to oblige Japan to withdraw from her present position.

I have, &c.,

ARCHIBALD CLARK KERR

¹ H.M. Minister at Stockholm.

² See *L/N.O.J.*, S.S. No. 111, pp. 38-39.

Sir J. Simon to Mr. Ingram (Peking)
No. 310 Telegraphic: by wireless [F 8710/82/10]

FOREIGN OFFICE, *December 23, 1932, 4.20 p.m.*

Your telegram No. 841¹ (of the 12th November. Proposed loan on the security of the Boxer Indemnity).

As regards moiety payable to Board of Trustees there is no objection as object of loan will be rehabilitation of Chinese railways as provided in the Exchange of Notes.² Method to be employed, namely the issue of a loan to be secured on a portion of the funds in the hands of the Board of Trustees, is specifically contemplated in paragraph 4 of the first note from Dr. Wang in the exchange of notes constituting the indemnity agreement.

2. As regards the funds in the hands of the Purchasing Commission in London that paragraph is general in terms and appears to apply to the whole of the Boxer indemnity funds, but general provisions of paragraph 4 are overridden by special provisions of article 5 which lays down specifically manner in which funds in the hands of the Purchasing Commission are to be dealt with.

3. Now it seems that mere fact that future instalments of funds had been pledged as security for loan would prevent their being made available for use of London Commission until the loan had been duly paid off. For in the event of default, security would come into play and the funds or part of them would be required for service of loan. I am advised that the provisions in the exchange of notes regarding application of the Purchasing Commission's funds could not be reconciled with the possibility that funds might at any time be called upon for the purpose of service of loans made to the Chinese government or to Chinese railways by private persons.

4. We are therefore on strong ground in maintaining that this part of proposal is clearly not only not contemplated by the Exchange of Notes, but is actually contrary to their intention. If Chinese government requested that we should consent to a modification of the Exchange of Notes, we should explain that this would involve an amending Act of Parliament and that it is more than doubtful whether Parliament would consent to a modification for this purpose.

5. You may explain the above if need be to Mr. Hubbard.

6. In the last resort of course question is one of policy. If the Exchange of Notes were modified and an amending Act of Parliament introduced all legal objections to the proposal would disappear. The consideration of policy naturally depends firstly on the likelihood of the security being called into play, and secondly upon the degree of importance attached to the proposal by the Chinese government and the desirability or otherwise of meeting them in this respect. On these points I should be glad to receive your observations if the scheme is pressed, but you will bear in mind that

¹ No. 45.

² See *ibid.*, note 1.

a very strong case would have to be made out if there were to be any question of an amending Act. Indeed, the changes required would be so drastic as practically to preclude the likelihood of their being accepted.

7. I realise that the position is now altered as a result of the new proposal referred to in Nanking telegram No. 401 Tour³ of November 26th, but this telegram is primarily for your guidance in case Chinese government revert to the earlier proposal.

³ This telegram from Mr. Ingram (F 8266/82/10), received in the Foreign Office at 6 p.m. on November 26, mentioned proposals for the completion of the Hukuang line, including the negotiation by the Board of Trustees themselves on the London money market of a loan to the Chinese Government for the completion of the line.

No. 154

Mr. Ingram (Peking) to Sir F. Lindley (Tokyo)

No. 389¹ Telegraphic [F 8828/1108/10]

PEKING, December 23, 1932

Foreign Office telegram No. 109² to Peking [Nanking] (Tour).

There is always just a possibility that presentation of Shanghai claims may have an unfavourable reaction on Chinese and Japanese attitude at Geneva but I feel this possibility is more than counterbalanced by undesirability of further delay in presentation. Interval before next meeting of League seems to offer favourable opportunity while tempers are cool and I suggest claims be presented simultaneously in Tokyo and Nanking on January 10th. Do you concur?

¹ Repeated as Peking No. 921 to the Foreign Office, received at 5 p.m. on December 23.

² No. 134.

No. 155

Memorandum by Sir J. Pratt

[F 74/33/10]

FOREIGN OFFICE, December 23, 1932

The Sino-Japanese Conflict

Breakdown of conciliation: policy to be adopted by His Majesty's Government

1. The final instructions sent by the Japanese Government to their delegation in Geneva¹ having made it impossible for the League of Nations to pursue conciliation any further under Article 15 paragraph 3 of the Covenant the Assembly must now, under paragraph 4 of the same Article 'make and publish a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard

¹ See No. 150.

thereto'. The decision to proceed to this stage will probably be taken by the Assembly immediately after the meeting of the Committee of Nineteen on January 16th next and His Majesty's Government must therefore decide before that date what policy they propose to pursue.

2. Up to October of this year the general attitude of His Majesty's Government has been that pending the receipt of the Report of the Commission of Enquiry judgment must necessarily be suspended on the merits of the dispute and that during this interim period all that it was possible to do was to lay down the principles which must govern the final settlement. These principles were laid down, on the initiative of the Secretary of State, in Part I. of the Assembly Resolution of March 11th, 1932. After the receipt of the Lytton Report on the 1st October last the view of His Majesty's Government was that the first duty of the League was to endeavour to effect a settlement of the dispute under Article 15 (3) of the Covenant, in agreement with the parties and that while proceedings were still in this stage of conciliation it was undesirable that there should be anything in the nature of denunciation of, or a passing of judgment on, either of the parties. In order to conciliate it was necessary to be conciliatory and any hasty action of this kind could only prejudice the chances of conciliation succeeding.

3. These views eventually came to be very generally held by Members of the League, a development which was attributed by both China and Japan to the influence of His Majesty's Government. While Great Britain thus came to be suspected—quite unjustly—of desiring to condone and cover up the wrong-doing of Japan, the Chinese felt that by the League's attitude the scales were unduly weighted against them. In their view the Japanese by aggression and violation of treaty obligations had seized Manchuria and were in the position of *beati possidentes*.² China, while willing to negotiate a settlement, has felt all along that, at the least, she was entitled to the open support of all members of the League on the moral issue of right and wrong. She has never been able to understand why she has not received such support and has been inclined to attribute it to the influence exercised for purely selfish reasons by the Great Powers under the leadership of Great Britain.

4. The natural sympathy felt by many of the smaller Powers with China's point of view has been enhanced by the fear that they themselves may one day fall a victim to similar aggression. They have therefore felt uneasy under the restraints imposed upon them by their role of conciliators. In the general debate, before the Assembly had really come to grips with the task of conciliation, that uneasiness showed itself in undisguised hostility to Japan. It fell to the British representative to point out that there were wrongs on both sides. This action, necessary though it was if conciliation was to remain a possibility, was bitterly resented by the Chinese. We have (they feel) been doubly unjust to them: not only have we failed to support them on a moral issue but we have held up their comparatively venial offences to obloquy as if they were on a par with, or worse than, the gross treaty violation and

² The fortunate ones who are in possession.

aggression of Japan. Mischiefmakers also have been busy. It is very necessary clearly to understand that in the delicate situation which the Manchurian affair has now reached we are in an exceedingly dangerous position. We are suspected in many quarters of having supported and encouraged the Japanese adventures in Manchuria, because, whatever the Covenant might say, our own selfish interest lay in not offending Japan and it is believed that we are only awaiting a decent excuse to recognise Manchukuo. I am informed that a book is about to be published by a well known American authority on Far Eastern Affairs (T. F. Millard)³ in which he claims to have definite proof that we induced the Japanese to withdraw from Shanghai by promising them a free hand in Manchuria. The American public will eagerly swallow this tale and will look for confirmation in the action we take at Geneva next month. A false step now, or even the appearance of any hesitation, might arouse the abiding hostility of the Chinese and seriously compromise our position both with the League and in America. The good-will of Japan—even if we are able to retain it—would hardly suffice to save our extensive interests in China. It would certainly not provide us with any compensation in Manchukuo or anywhere else.

5. Another important factor in the situation is the recent restoration of diplomatic relations between China and Soviet Russia. This was undoubtedly intended as a warning to the world by China that there are other forces on which she can rely to secure justice besides the peace machinery of the League.⁴ There seems no need to fear that this development portends the bolshevisation of China. It does mean however that China—already intensely interested in the five year plan and the whole gigantic experiment in Russia—will turn towards Russia and away from America and Europe for inspiration and ideas in her own social and economic difficulties. It also means that China will avail herself of the mischievous advice and assistance of a Russian Ambassador at Nanking, a Russian Consul-General in the International Settlement at Shanghai, and a number of Consular officers elsewhere to make things difficult for those who have not proved to be friends in need and to resume the attack on extraterritoriality, concessions and all that remains of the privileged position of the foreigners in China.

6. It is a remarkable fact that, as soon as League action passed from the stage of general debate in the Assembly to the practical task of endeavouring to effect conciliation, the most ardent advocates of upholding the principles and authority of the League accepted without reserve the thesis that it was the duty of the League to pursue conciliation to the extreme limit, that, consistently with the maintenance of fundamental principles (which however they were willing to state in the most unprovocative manner possible), every possible concession should be made to Japan in order to bring her, if

³ Dr. Thomas F. F. Millard, journalist and author, was official Adviser to the National Government of China, 1929–35. He published a pamphlet in Geneva on November 18, 1932, entitled 'America, Europe and the Manchurian Question'.

⁴ A marginal comment at this point by Mr. Orde reads: 'and/or an attempt to prevent Soviet recognition of Manchukuo. C. W. O.'

possible, to the conciliation table. This was very noticeable in the discussions in the Committee of 19; it was even more noticeable in the drafting committee of 6 when the Swedish representative, Mr. Unden, the most pronounced extremist of all, was persuaded in the course of the discussions of the wisdom of the course outlined above. Acting in this spirit the Committee of 19 drafted a statement of reasons and a Resolution (copies annexed hereto)⁵ to which with the sole exception of the final paragraph of the first document, inserted for the purpose of counterbalancing the fact that China was being asked to negotiate while her territory was still occupied by foreign troops, no reasonable objection could be taken. The drafting committee were prepared to meet all Japanese objections on point[?] of form, arrangement or drafting, and even in the case of the last paragraph of the statement of reasons an innocuous formula could probably have been found. The Japanese Delegation however insisted on three points:—

(1) the negotiations must be held between China and Japan alone without interference from outside powers,

(2) no invitation must be sent to Russia and the United States to participate and (3) the independence and complete separation from China of Manchukuo must not be questioned in any way. On December 20th Mr. Matsuoka informed the Secretary-General that the Japanese Government absolutely refused to give way on these three points and that this was their last word. Unless this is a stupid bluff (which of course is not impossible) conciliation has definitely broken down.

7. When the Committee of 19 is confronted with this situation on January 16th next action will pass immediately to paragraph 4 of Article 15 of the Covenant. They will submit to the Assembly a report, consisting mainly of a summary of the Lytton Report (the draft of this report is being prepared by the Secretariat now) and they will probably recommend that the settlement of the dispute should follow the lines of the settlement proposed in the Lytton Report. It is unlikely that the Committee of 19 will suggest sanctions under Article 16 for nobody now believes that sanctions are a practicable policy and the Chinese do not expect material help of this kind. There will however be a very strong demand that judgment in unequivocal terms should be passed on Japan as an aggressor and a violator of the covenant. The fact that the Powers represented on the Committee of 19, namely all the Powers most actively interested and engaged in the matter, out of an honest desire to make conciliation possible have gone to the extreme limit of concession to Japan and have met with a blank refusal will inspire a determination to show that their attitude was not dictated by any willingness to compromise in the slightest degree as regards the fundamental principles of the League. They will desire to focus world opinion in a solemn condemnation of Japan. It seems clear that His Majesty's Government should make it plain that they have no intention of obstructing or of holding aloof. Our role must be that of a strong and loyal upholder of League principles without *arrière pensée* of any kind.

⁵ Not here reprinted. See Nos. 127 and 128.

8. If this is to be our policy after January 16th the immediate question that arises is what steps, if any, should be taken between now and that date? The wisest course would seem to be to explain our views with the utmost candour to the Japanese Government and inform them of our probable course of action after January 16th and of the reasons which make that action inevitable. His Majesty's Ambassador at Tokyo might be instructed to point out that from the beginning of this dispute our attitude has been dictated by a desire to arrange a settlement of the conflict on such terms as would make it possible for friendly relations to be resumed between China and Japan and for stability to be maintained in international relations in the Far East. Such a settlement can only be based upon the fundamental principles of the League of Nations for it is evident that if a settlement is sought to be imposed in violation of the solemn obligations of the covenant of the League of Nations⁶ only a state of chaos in the whole international position in the Far East could result. The attitude of His Majesty's Government as described above has been determined therefore by their desire to act as a loyal member of the League of Nations and an upholder of the application of League principles in international affairs. It has not been dictated by any regard for the special interests of the United Kingdom for it was felt that if the larger purpose were faithfully pursued those interests in the long run could not suffer. In pursuance of their policy of effecting if possible a reconciliation between the parties upon the basis of League principles, His Majesty's Government have done everything in their power to make it possible for Japan—who has also always been a most loyal and powerful upholder of the League—to accept the kind of settlement and the procedure for reaching it contemplated in the Covenant of the League. Their anxiety to avoid word or deed that might make this more difficult has indeed laid them open to misrepresentations, but this, of course, for the reason stated above they can afford to disregard.

9. In these circumstances His Majesty's Government are deeply disappointed [*sic*] to learn, in confidence, that the latest instructions sent by the Japanese Government to their delegation in Geneva would appear to make a breakdown of the efforts at conciliation inevitable. If His Majesty's Government understand the position correctly the Japanese Government insist, as a basis of conciliation, (1) that the negotiations must take place between China and Japan alone without the interference of any other Powers, (2) that Manchuria's complete separation from, an[d] independence of, China must be accepted as a basic and unalterable fact and (3) Soviet Russia and the United States of America must not be invited to take part in the work of conciliation. If this is Japan's last word, the effort so far made to effect conciliation must be held to have definitely broken down and the League must proceed to the next stage, namely, action under paragraph 4 of Article 15 of the Covenant.

10. In view of the fact that the members of the League, out of an honest

⁶ A marginal note by Mr. Orde, referring to the previous three lines, asks, 'what does this mean?'

desire to pursue conciliation to the extremest possible limit, have studiously refrained from anything in the nature of a judgment on the moral issues involved, it is only to be expected that when the League resumes its labours on January 16th there will be a general determination to show that this self restraint did not mean that the members of the League have abandoned or compromised in the slightest degree the fundamental principles of the League. This is a feeling which His Majesty's Government also share. As a loyal member of the League it would be quite impossible for His Majesty's Government to obstruct or stand aloof from the expression of that feeling in any resolution which may be proposed for adoption by the Assembly. Sir F. Lindley should therefore make it clear to the Japanese Government that if they persist in their refusal to allow the principles of the League to be applied to the settlement of this dispute, the inevitable result must be a public condemnation of her actions and her methods by the Assembly and that His Majesty's Government, however reluctant they be to see the matter take so disastrous a turn, will have no option but to act as a loyal member of the League.

11. If a telegram is sent to Sir F. Lindley in the sense of paragraphs 8, 9 and 10 above—and it is suggested that this action should be taken without delay—the question remains what action we should take vis-à-vis other Powers—should we concert our action with them and endeavour to bring them into line or should we act alone and merely inform them afterwards? The objections to concerted action seem to be very great. Any attempt to induce the United States, France, Italy and Germany to act with us would cause great delay and lend itself to misrepresentation. Moreover anything in the nature of a concerted *démarche* in Tokyo would cause great irritation and might give rise to further explosions of nationalist sentiment. In this matter we have also our own position to safeguard. If we act immediately and alone in such a manner as to show beyond doubt that our main object, now as always, is to act as a loyal member of the League, it would go far to dissipate the suspicions and misrepresentations referred to in previous paragraphs of this memorandum. The wisest course would therefore seem to be to send the telegram to Sir F. Lindley and at the same time communicate it to the Governments of the United States, France, Italy and Germany with an expression of our hope that they may see fit to adopt a similar attitude.⁷

J. T. PRATT

⁷ This memorandum was extensively minuted. Mr. Orde (December 23) and Sir V. Wellesley (December 24) agreed generally with the course proposed by Sir J. Pratt. Sir J. Simon wrote:

'I agree with the description of the general line H.M.G. will take if we pass from conciliation to judgment, but I very much doubt the wisdom or necessity of any immediate statement. I have in fact told both the Japanese & Chinese what our line will be (see telegram & record of Dec 8 [No. 91] which was repeated to Tokyo, Nanking, & Washington). If we go out of our way to repeat & emphasize this now we shall be rightly regarded as taking the lead & wrongly suspected of urging the rest to follow. Our role is to act as a loyal member of the League, not as a bell-wether to the others, some of whom will promptly point out to Japan that *they* have not rushed in to condemn. The M[anchester] G[uardian]

of Dec 22 not only published the material quoted by M^r Orde [i.e. texts in Nos. 127-8] but also printed my speech *in extenso* (unfortunately with the errors I pointed out when I saw the text e.g. "let me speak politely" for "let me speak plainly" & another equally meaningless phrase—I hope the *errata* were sent in [a marginal note reads: "Yes. This was done. J. T. P."]) & I think the speech itself indicates quite plainly what our line will be.

'While this is my present reaction, I should like to have the views of M^r Cadogan & of Sir R. Vansittart. But I think it would be wisest to speak to the Japanese by way of warning at Geneva. J. S. Dec 30.'

Sir J. Simon added to this minute a note saying that since writing the above he had seen a memorandum by Mr. Cadogan of December 26 which made a proposal similar to Sir J. Pratt's, and had had an interview with Sir E. Drummond. 'I am still opposed to warning the Japanese as to what we *shall* do but I should favour a telegram to Sir F. Lindley on the lines annexed, and similar language to Mr. Matsudaira. The difficulties that will arise if conciliation fails are *so* great that we ought, I think, to make this representation.' [For the telegram as sent, see No. 164 below: only a few minor verbal amendments were made to the draft. Mr. Cadogan's memorandum is not printed.]

Sir R. Vansittart minuted on January 1, 1933, that he did not mind going as far as the draft telegram, but to go further would be to incur the danger mentioned in the third sentence of Sir J. Simon's minute, 'especially if we were to try, as has been suggested, to whip the other powers into line. They are too unreliable, indeed too double-faced, to make this a safe manœuvre.'

No. 156

Memorandum by Mr. Snow¹

[F 81/33/10]

FOREIGN OFFICE, December 23, 1932

Manchuria—Japan's Case

Need for recapitulation.

The main outlines of the Japanese case in regard to Manchuria have, perhaps, become somewhat blurred under the mass of detail which has accumulated on the subject, not less from Japanese than from other sources, during the past 15 months. Though the points which will here be stated are none of them new, it may accordingly be useful to recapitulate them.

Manchuria would now be Russian but for Japan.

Japan looks on Manchuria as a country which for the past 25 years or more would have been Russian, and not Chinese at all, had not Japan staked her own existence to keep Russia out of it. The Japanese feel that had it not been for this immense and purely Japanese effort the Chinese delegate would be in no position now to arraign them at Geneva for violations of Chinese territory in Manchuria.

The League is blind to Chinese inconsistencies.

From the point of view outlined above, the louder China's recriminations, the more tasteless they appear to Japan, and the less comprehensible the

¹ A note on the file by Mr. Broad, a member of the Far Eastern department of the Foreign Office, reads: 'This useful memorandum was left in the Dept. by Mr. Snow [Counsellor of H.M. Embassy at Tokyo] on Dec. 24th.'

attention with which members of the League continue to follow them. Even the respect paid to China's insistence as a Member State on her full rights under the Covenant appears exaggerated to the Japanese, who reflect that as a member China is in default with her subscription, that as a State she exists on paper only and that in the matter of honouring treaty obligations she has a notorious record of her own.

Japan's initial action was legal.

Apart from considerations of this kind, the Japanese know that they enjoyed the implicit Treaty right of stationing troops in the Manchurian railway zones.² These troops were there to maintain order, and, when disorder broke out, the Japanese position is that it was right and natural to use the troops—as natural, let us say, as if there had been a riot at Winchester and British troops had been called out of barracks. Neither the one act nor the other would be regarded by Japan as involving any obligation to consult the League first, let alone a breach of the Covenant. Other imaginary parallels which may be offered would be the use of British troops to suppress disorder say in the New Hebrides or in the Sudan.

Subsequent events in Manchuria were the result of Japan's initial legal action.

It is a commonplace that when hostilities break out, it is impossible to foretell the extent of the area which they may involve. An analogous difficulty was peculiarly inherent in the Manchurian situation. The troops which Japan might maintain in the railway zone were limited by Treaty, and they were outnumbered by 20 to 1 by adjacent Manchurian forces. The prompt steps with which Japan followed up her initial exercise of force in dealing with the alleged Chinese outrage at Mukden on the night of September 18, 1931 were subsequently condemned by the Lytton report as unnecessary. Insofar as these steps followed as the natural result of an already existing legal situation (indeed they had probably been largely planned in advance), it would, however, be difficult for a Japanese to accept the view that they were necessarily illegal. It may be added that whether or no the Japanese themselves engineered the Mukden incident (the facts will probably never be known), the significance of the incident in Japanese eyes is in any case merely that of the last straw added to the load of evasion, breach of treaty and outrage to which Japan had been submitting in Manchuria with patience for a number of years past.

Manchukuo, Japan's second crime?

The alleged failure to consult the League was Japan's first crime; her alleged setting up of an independent State in Manchuria was the second. In the latter connexion it is, however, well to bear in mind that, in the general break-up of China, the independence for most practical purposes of Manchuria has been one of the main difficulties with which Japan has had

² For a summary of the issues as to Japanese 'railway guards' along the South Manchuria Railway, see the *Lytton Report*, pp. 51-52.

to contend. Trial showed that it was useless to negotiate with Nanking about Manchurian questions, since Nanking, exercising no authority in Manchuria, was not in a position to commit the Manchurian Authorities. On the other hand, as often as Japan negotiated with the Manchurian Authorities, she was met on any awkward point with the reply that they must refer to Nanking. Meanwhile her rights continued to be flouted. This situation had lasted for years and the Lytton report stated that it was intolerable and that there could be no return to it. But the Japanese, for so long confronted with these unpleasant practical results of Manchurian independence as a matter of daily difficulty, can hardly be expected to enter into the emotions of distant theorists, who have never negotiated with a Manchurian authority, and to whom Manchurian independence was one morning presented in their newspapers as a brand-new event, brought about by criminal activities on the part of Japan.

The Special Character of the Manchurian problem.

The Japanese also argue as follows:

In the Panama Canal Zone Panama claims territorial rights, and the United States the rights of garrison, defence, maintenance of order, sanitation etc. It might be difficult to know which of these two countries exercises the territorial rights. In the same way China and Japan each possessed what, to a greater or less extent, amounted to territorial rights in the S. Manchurian Railway Zone. Such situations are anomalous. It may even be that the Manchurian anomaly, some 25 years old, appears shocking when viewed from Geneva at the present day. But to the Japanese themselves the arrangement come to at that time does not present itself as a particularly bad one for China. As has been seen, Japan ran all the risks against Russia, and saved Manchuria for China. In return she obtained from China relatively modest rights, the subsequent disregard of which by China led to the present dispute. Insofar as the situation was in fact the anomalous one just described, it follows that the dispute, by the same anomaly, was in the nature of a domestic dispute.

Japan's suggestions for a settlement.

It is on this ground that the Japanese have so persistently maintained that the League is not really concerned with the dispute, and that Japan must be left to settle it with China direct. It is Japan's belief that a decision of that kind on those grounds, while not necessarily unfair to China, offers the one solution which can be accepted as satisfactory both by all supporters of the League and by Japan herself, and provides a way out of the *impasse*.

Japan's attitude to the League.

Such a decision would involve recognising the Manchurian situation as being, as indicated above, special, peculiar and anomalous. If, as the Lytton report lays down, the situation is in fact such, Japan at any rate cannot be expected to share the views of those zealous supporters of the League, who

believe that a crucial moment has arrived in League history, and that in view of the importance of the precedent, the League must assert itself. Indeed it is hard to see how a decision in regard to an admittedly unique situation can form a precedent of any kind, whether an important precedent or not. It should not however be inferred that Japan is necessarily a luke-warm adherent of the League. It is even probable, though this remains a matter of speculation, that if she failed to obtain a decision on the lines indicated, she would leave the League with real reluctance, and that her first feeling would be one of genuine regret that a body which she had supported should have reached results at variance with law, equity and commonsense.

Before concluding, it may be permissible to emphasise again that these notes have been put together with a view to recapitulating the Japanese case in general terms, though not necessarily to endorsing it, still less, of course, to indicating any consideration of policy.³

T. M. SNOW

³ Sir J. Pratt minuted the memorandum as follows: 'It has been fairly generally recognized, since the publication of the Lytton Report, that there is a good deal to be said for Japan. The trouble is—not failure to recognize the strength of her case but the incompetence with which her delegates argue the case at Geneva and the folly of the policy that they are instructed to pursue. J. T. Pratt. 2/1.'

No. 157

Sir J. Simon to Mr. Ingram (Peking)

No. 314 Telegraphic [F 8879/7/10]

FOREIGN OFFICE, *December 24, 1932, 4.45 p.m.*

Government of India telegrams to India Office Nos. 2720¹ and 2735¹ (of 30th November and 1st December: situation on Sino-Tibetan frontier).

If Waichiaopu's information reported in your telegram No. 415 (Tour)² (of December 9th) is really correct there is now no valid reason why frontier settlement should not be tackled without delay. We would not wish to press our mediation unless undue delay occurs or fighting is renewed, but this should not preclude you from keeping Chinese Government up to the mark and stressing the anxiety of His Majesty's Government to see a settlement achieved.

Subject therefore to the views of the Government of India you should unless you see any strong objection take a suitable opportunity of asking

¹ Not printed.

² Not preserved in Foreign Office archives. The docket gives the following summary of its contents: 'Vice Minister for Foreign Affairs states that renewed instructions were immediately sent to Commanders concerned that hostilities must cease. He added that he had seen civil administrator at Chinghai who assured him that hostilities had long since come to an end. All information in possession of Waichiaopu was to same effect, and he was convinced that reports to the contrary were incorrect.'

Chinese Government whether the steps have been taken towards securing a settlement of the frontier problems which you were given to understand by the Minister for Foreign Affairs would be initiated once fighting had stopped (see your telegram No. 392 (Tour))³ and if not why not.

If it then turns out that the Chinese Government are really unable to control the Chinese commanders in Szechwan, it would be useful if you could obtain some admission to this effect, as we should then have strong justification for meeting Dalai Lama's desire for further arms.

Repeated to Government of India No. 31.

³ No. 21.

No. 158

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 26, 9 a.m.)

No. 421 Telegraphic [F 8835/1108/10]

TOKYO, December 26, 1932, 11.40 a.m.

Your telegram No. 109¹ to Peking (*sic* ? 'Nanking') and my telegram No. 420² to you.

In absence of contrary instructions I propose that my note to Japanese government covering claims should follow lines of Mr. Ingram's draft note as set forth in his telegram No. 420 Tour³ with inclusion of second alternative quoted in his telegram No. 419.⁴

Repeated to Peking.

¹ No. 134.

² In this telegram of December 24, not printed, Sir F. Lindley said 'Yes' to Mr. Ingram's proposal in No. 154 relating to the presentation of Shanghai claims.

³ No. 107.

⁴ No. 102.

No. 159

Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 26, 9 a.m.)

No. 423 Telegraphic [F 8831/1/10]

TOKYO, December 26, 1932, 3.35 p.m.

Mr. Ingram's telegram No. 433.¹

This resolution has given rise to press campaign against China who is accused of contemplating attack which makes Japanese advance into Jehol imperative. Military authorities here deny that there is any intention to make such advance now.

Repeated to Peking.

¹ See No. 140.

No. 160

*Mr. Ingram (Peking) to Sir J. Simon (Received December 28)*¹

No. 928 Telegraphic [F 8884/51/10]

PEKING, December 28, 1932¹

My telegram No. 922.²

Claimants at Shanghai have unanimously requested that Vice-Consul, Mukden, should proceed to Changchun with their representative as he is fully conversant with details of claims.

His Majesty's Consul-General at Mukden considers such action might assist subsequent representations and accelerate initial payments while statements made by German Consul who recently visited Changchun indicated that in his opinion it would be unlikely to cause any political or other . . . s.³ If he went Vice-Consul might approach Claims Committee through Japanese Embassy staff. On the other hand Consul-General sees no reason to anticipate any hitch if representative of firms concerned proceeds alone as latter is acquainted with a member of Japanese Embassy staff and would be furnished with letters of introduction.

Is there any objection to my instructing Mr. Clarke to proceed to Changchun if and when representative of firms consider his presence essential? If he goes should he confine his dealings to staff of Japanese Embassy or might he have dealings with Claims Committee direct?

Repeated to Mukden, Commercial Counsellor, Mission and Tokyo.

¹ Times of receipt and despatch are not recorded.

² Of December 24, not preserved in Foreign Office archives. According to the docket, it said that H.M. Consul-General at Mukden had reported the publication of a statement attributed to the Chairman of the Claims Committee at Changchun [cf. No. 43]—that definite settlement of all claims had been arranged and that a representative of the Jardine Engineering Corporation was to proceed to Mukden to represent British claimants; the question of sending a Vice-Consul or Commercial Secretary could be considered later.

³ The text is here uncertain. A note on the filed copy suggests 'complications'.

No. 161

Mr. Ingram (Peking) to Sir J. Simon (Received February 9, 1933)

No. 1711 [F 900/33/10]

PEKING, December 28, 1932

Sir,

I have the honour to submit the following report on the reaction in China to the discussions at Geneva on the subject of the Sino-Japanese dispute, and the steps which I took in connection therewith.

2. I arrived in Nanking on November 19th, in order to be at hand in ample time should you wish to make any communication to the Central Government or should the latter wish me to convey any message to you in regard to the pending discussions. The Council of the League met, it will be

remembered, on November 21st, and after a verbal duel between Dr. Koo and Mr. Matsuoka decided on November 25th that the whole matter be referred to the Special Assembly, subject to the views of the Japanese Government which Mr. Matsuoka undertook to obtain as soon as possible. At this point Dr. T. V. Soong, in his capacity of Acting Chairman of the Executive Yuan, summoned myself and my American, French, German and Italian colleagues to meet him and the Minister for Foreign Affairs. . . .¹ I transmitted this message to you in my telegram No. 122 Tour Series to Geneva² of November 25th.

3. Eventually the Sino-Japanese dispute was referred to the Assembly, which opened its session on December 6th, and on December 7th, you, Sir, addressed the Assembly, after Mr. Conolly, Dr. Benes, Señor Madariaga and others had spoken. These speeches were reported at some length by Reuters and seemed on the whole to be favourable to China. I was, therefore, somewhat astonished when I found the interpretation which was being placed on your speech by the Chinese Government and press. As I reported in my telegram No. 123 Tour Series³ of December 10th, the Minister for Foreign Affairs summoned me on the evening of the 9th and expressed the great disappointment of the Chinese Government at the tenor [*sic*] of your speech as reported. He had telegraphed to Geneva for a full text and admitted that he was only judging by Reuters' version. If this version were correct, there was not one word of condemnation of Japan as the breaker of the League Covenant and other treaties . . .⁴ Dr. Lo continued to harp on the theme of China's desire for moral sympathy and a condemnation in some form or another of Japan's actions. At one moment he even went so far as to say that Great Britain could have anything or do anything she liked in China if only His Majesty's Government would give proof of their sympathy by pronouncing a verdict against Japan. I told Dr. Lo that these were not the kind of considerations which governed British policy in this matter. We were not out to derive personal advantage from the crisis in the Far East but to promote its peaceful solution as the friend of both parties and in the interests of peace.

4. I was much struck by the profound discouragement which was manifested by Dr. Lo and other members of the Government whom I met, and I accordingly suggested in my telegram No. 124 Tour Series⁵ that it would considerably hearten them if I could be permitted to inform Dr. Lo Wen-kan and Dr. T. V. Soong in strict confidence of the language held by you to Mr. Davis regarding the non-recognition of Manchukuo, as reported in your telegram No. 441⁶ to the Foreign Office. As it was, my interview with Dr. Lo was not entirely fruitless, for I subsequently learnt that immediately after

¹ The passage here omitted was a repetition, except for a few minor verbal variations, of No. 65.

² i.e. telegram No. 400 Tour to the Foreign Office: No. 65.

³ i.e. telegram No. 416 Tour to the Foreign Office: No. 101.

⁴ The passage here omitted was a repetition, with a few minor verbal variations, of No. 101.

⁵ i.e. telegram No. 417 Tour to the Foreign Office: No. 99.

⁶ No. 92.

seeing me he attended a meeting of the Foreign Affairs Committee, at which it was eventually decided to make no public rejoinder here to your speech as had originally been contemplated.

5. Dr. Lo had informed me that he was very much afraid of the press reaction to your speech. In fact, as press comments from all parts of China became available, I found that they were wholly condemnatory.⁷ You were charged with having cited all the points in the Lytton Report favourable to Japan and omitted all those favourable to China, and no attempt was made either to appreciate the underlying spirit of conciliation or to weigh up the speech fairly as a whole and in relation to what had gone before. Here and there veiled threats were uttered as to the unwisdom of Great Britain in antagonising China where she had such big commercial interests. On the other hand, the 'clear and unequivocal' attitude of the smaller Powers was lauded to the skies. Translations of specimen editorials from the Chinese press are appended.⁸ On December 11th an anonymous 'high official' of the Government made a statement to the press in which he voiced the Chinese Government's gratification at the attitude of such men as Dr. Benes, Señor Madariaga, Mr. Politis and Mr. Motta. 'It is regretted however' he continued 'that a few discordant voices were noticeable. The manner in which the representative of Great Britain has dealt with the present crisis has created among our people a painful impression and this feeling has been aggravated by some unaccountable utterances of the representative of Canada. What was Sir John Simon driving at when he suggested that the question "should not be treated theoretically", that "the realities of the situation should not be left out" and that the League should above all seek "a practical solution"? Did he mean to countenance Japan's illegal actions and condone her aggressive policy?'

6. I saw the Minister for Foreign Affairs again on the evening of December 13th and in the course of a long conversation⁹ I tried once more to disabuse him of the idea that your attitude was one of partisanship and that the Canadian representative's language in the Assembly was inspired by His Majesty's Government in the United Kingdom. Dr. Lo entirely failed to grasp the idea of Dominion status and thought that because Ireland was styled a 'Free State' she was freer to speak her mind than Canada! I had considerable difficulty in eradicating this notion from his mind. In reply to his specific enquiry regarding our attitude towards the recognition of Manchukuo I referred him to the preamble to the resolution of March 11th, by which, I reminded him, we in company with the other members of the League were bound. I will not burden you with further details of what was a lengthy conversation beyond stating that I eventually succeeded in making him realize that it was not going to help matters, either in China or in Geneva, if the Chinese forces and Chinese officialdom were to continue this seemingly wilful misunderstanding of League machinery and the endeavours of China's well-wishers to promote a solution by conciliation. I eventually enquired whether, if you could see your way to sending him through me a

⁷ Cf. No. 114.

⁸ Not reproduced.

⁹ See No. 113.

personal message indicating your firm intention to uphold the sanctity of the treaties and clarifying your attitude as regards recognition of Manchukuo, it would not greatly assist him in dealing with the criticisms of the British attitude. He said it would. I accordingly embodied this suggestion in my telegram No. 125, Tour Series,⁹ of December 13th.

7. On the following day I received your reply, contained in telegrams Nos. 17¹⁰ and 18.¹¹ I called on Dr. Lo on the morning of the 15th and read to him these two telegrams. He seemed visibly relieved to find that the British attitude was not so hostile as he had been led by his correspondents in Geneva and the press reports to suppose. He asked me to assure you that he had not read the full text of your speech when he used the language referred to in paragraph 3 above, and promised to do his best not only with his colleagues but with the public to remove the previous misconceptions. I was not at all sure that he would be able to do much as regards the latter, but as regards the former I was more hopeful, as I had myself seen many of them during the past few days and had endeavoured to explain the situation by the use of the arguments I had used with Dr. Lo on December 9th. The real trouble, I found, lay in the general ignorance of the Chinese regarding the machinery of Article 15 of the Covenant and in the tendency to attach undue importance to window-dressing. At Dr. Lo's request I subsequently wrote him a letter (not for publication but for the information of his colleagues) embodying the relevant extracts from your two telegrams and particularly your message contained in paragraph 3 of telegram No. 17. (A copy of this letter was transmitted to you in my despatch No. 166, Tour Series,¹² of December 16th.) I also sent copies of this letter to Dr. T. V. Soong, and to Mr. Haward, the Editor of the *North China Daily News*. The latter I authorised to use the information contained therein at his discretion, but without disclosing the source. The outcome of these efforts was that the Chinese press of December 16th contained a paragraph to the following effect:

'The greatest interest was aroused in British circles when attention was drawn to the pro-Japanese bias of Sir John Simon's speech. It is reliably reported that the British Authorities have taken steps both directly and indirectly to point out to the Chinese Government that the main object of the speech was to promote conciliation and that there was no intention of favouring either party. Great Britain it is stated is a loyal member of the League, and is most ready in maintaining the prestige of the Covenant, and it is hoped that misunderstandings will not arise on the Chinese side on account of this speech.'

Doctor Lo informed me that he had arranged for this message to be published in the press throughout the country. The *North China Daily News* on its part assisted in clearing up the misunderstanding by publishing in its issue of December 18th the extracts from your speech with which I had supplied Mr. Howard [sic].

¹⁰ No. 117

¹¹ See *ibid.*, note 3.

¹² Received February 7, 1933, not printed.

8. The result was on the whole satisfactory. The *Shun Pao* of Shanghai said that the timely explanation made by the British Foreign Secretary would undoubtedly dispel the unfortunate misgivings his speech had created in the minds of all lovers of peace and champions of right and justice. It then dwelt at length on the disappointing results of the League Council, Assembly and Committee of Nineteen and pointed out the important bearing of the British attitude upon the peace of the world and the efficacy of the League. It hoped that the British Government would follow up its verbal assurances by actual deeds in support of the Covenant and world peace and called on that Government to take the lead in bringing about the adoption by the League of effective and strong action against the Japanese. In conclusion, it declared that, while China would continue—as she believed she had a right to do—to call on the League and the member-States thereof to effect a just settlement of the Sino-Japanese dispute, she was labouring under no illusion that she could rely upon the League or any other Power for the solution of the Manchurian crisis. This article is typical of dozens of others.

9. Meanwhile cross currents had been introduced into the main stream of discussion on the League activities by the resumption of diplomatic relations with Russia (which has been separately reported)¹³ and by the Third Plenary Session of the Central Executive Committee of the Kuomintang (regarding which a report will follow).¹⁴ A resolution to which wide publicity was given was submitted to the Plenary Session by Sun Fo, C. C. Wu, the Ministers of Finance and Industry, the Mayor of Shanghai and others.¹⁵ After declaring the futility of China relying on the League, Great Britain, France and the United States of America for assistance, the resolution proposed (a) that Chinese troops should be concentrated in Jehol, Chahar and Hopei with instructions to resist 'enemy troops' and, if opportunity arose, to enter Manchuria to recover the 'lost territory', (b) that the Kuomintang and the Government should give all possible assistance to the Manchurian troops and volunteers and (c) that the Kuomintang and the Government should encourage and direct a national intensive boycott of 'enemy goods', on the ground that if Japan could openly invade Chinese territory there was no reason why China should not adopt this milder form of resistance. I took the earliest opportunity of seeing the Minister for Foreign Affairs and drew his serious attention to the terms of this resolution. I said I had noticed that the Chinese press during the last few days had been working up to something of this nature, urging that since China had been wrong to pin her faith in the League of Nations and the 'imperialistic' Powers the *rapprochement* with the Soviet was to be welcomed and China should now rely on her own efforts and resources. I thought the wide publicity given to such a resolution with such sponsors, even if it were not passed, and the line taken by the press could only aggravate the situation and render doubly difficult the task of China's

¹³ Cf. No. 123.

¹⁴ A copy of this report, not printed, was received in the Foreign Office on February 10 as enclosure in Peking despatch No. 23 of January 6, 1933.

¹⁵ Cf. No. 139.

friends who were exerting every effort to set up a conciliation commission on the basis of the Lytton Report. Overt government support for the boycott seemed to me most ill-advised and would set back the clock particularly in the sphere of the administration of justice which was just beginning to free itself from undue external influence. Doctor Lo said he knew nothing about this resolution as he was not a member of the Central Executive Committee but I said I had Sun Fo's authority for its authenticity (Doctor Sun had informed my American colleague that the resolution was authentic but that he very much deplored the publicity which had been given to it) and that although the underlying idea of the resolution and the language of the press might be justified as necessary to stimulate a greater spirit of self-reliance among the population of China, it seemed to me that they could not have been voiced at a more inappropriate moment so far as Geneva and the international situation were concerned. Doctor Lo finally said he did not think that any resolutions involving government support of the boycott would be passed.

10. . . .¹⁶

11. The interview which I have recorded at some length above took place on the evening of December 18th, and as it was clear that nothing more would happen at Geneva requiring my personal attention at Nanking before the New Year, I left for Peking on the following day. The impression I brought away with me was that in their heart of hearts the members of the Chinese Government realised that Manchuria was lost to them for the time being and were founding their hopes for its eventual return to Chinese sovereignty on their conviction that internal developments—political, social and economic—in Japan would sooner rather than later produce a situation which would cause Japan to relax her stranglehold on the occupied territory and negotiate a settlement more or less on the lines advocated in the Lytton Report; meantime all they were really hoping to secure from the League was an emphatic condemnation of Japan's actions. As long as China still feels that there is any chance of obtaining assistance or support—moral or otherwise—from either the League or the Soviet, direct negotiations appear to me, I must admit, somewhat remote for the Chinese profoundly mistrust their neighbour's professions and motives. On the other hand they realise, I think, that Europe is too preoccupied with her own problems of economic depression and disarmament to be able or willing to intervene actively in the Far East. As to America, they are grateful for the moral stand taken by the State Department in defence of the Kellogg Pact and the Washington Treaties, but are beginning to entertain somewhat impatient misgivings as to whether it will produce any concrete results. Through it all I seem to discern the glimmer of a more healthy outlook, namely that since others will not pull the chestnuts out of the fire for them, they must rely to an increasing degree on themselves and their own resources. This does not mean that they are beginning to feel they can do without the foreigner or that they can afford to

¹⁶ The paragraph here omitted was a repetition, except for a few minor verbal variations, of paragraphs 3 and 4 of No. 140.

ignore or antagonise him unnecessarily. Foreign capital and advice are still regarded by most responsible Chinese as essential to the future development of their country. Adversity however seems to be producing by slow degrees a commendable re-action towards a deeper realisation of the need for unity and self-reliance.

I have, &c.,
E. M. B. INGRAM

CHAPTER II

Discussion preceding acceptance by the Special Assembly of the League of Nations, on February 24, 1933, of the Report of the Committee of Nineteen on the Manchurian question: threat of Sino-Japanese clash in Jehol Province

December 29, 1932–February 25, 1933

No. 162

*Sir F. Lindley (Tokyo) to Sir J. Simon (Received December 29, 11 a.m.)
No. 425 Telegraphic [F 8888/1/10]*

TOKYO, December 29, 1932, 4.25 p.m.

My telegram No. 423.¹

Newspapers have been full lately of threatening movements of Chinese troops towards Jehol and secretary of Chinese Legation called this morning to express acute anxiety lest Japanese attack on Jehol might be imminent.

Military Attaché was informed yesterday by General Staff that 60,000 soldier bandits were concentrated on Jehol side of Liaoning border and that three battalions of cavalry brigade of Young Marshal's troops had entered from Hopei and others were concentrating in their rear. These movements were believed to be due to resolution reported in Mr. Ingram's telegram No. 433.²

General Staff professed that they had no intention of attacking Jehol except in case of absolute coup. This has always been their attitude which we believe to be sincere. Military Attaché gained impression that if Japanese did attack the Tientsin–Peking areas would be involved.

Second division now at Chinchow is due to be relieved in January by the 6th division from Japan so that it would be easy for Japanese to have two divisions on the spot.

Repeated to Peking.

¹ No. 159.

² No. 140. Cf. also No. 139.

No. 163

Mr. Ingram (Peking) to Sir J. Simon (Received December 29, 4 p.m.)
No. 931 Telegraphic: by wireless [F 8900/1/10]

PEKING, December 29, 1932

Military Attaché reports a number of Chinese military movements are taking place or have been ordered in North Hopei and that amongst other movements 19th Brigade is under orders to move from Funani (west of Shan-haikuan) to Lingyuan which is well within Jehol border and on main road from Chaoyang to Jehol city. One engineer battalion from Peking left on the night of the 26th to accompany this brigade.

2. It is difficult to know what significance to attach to these movements. If 19th brigade really passes beyond the wall it will be a challenge to the Japanese which latter are hardly likely to ignore but I am inclined to think order for this move is only window-dressing to convey an impression that resolute measures are being taken to cope with Japanese aggression in compliance with discussions [? decisions] believed to have been taken at third plenary session of Central Executive Committee. See my telegram to Geneva No. 127.¹ Local Japanese and (? Soviet authorities) do not take a serious view of the situation.

Repeated to Tokyo, Commander-in-Chief, and General Officer Commanding.²

¹ No. 139.

² Major-General O. C. Borrett, G.O.C. British troops in China.

No. 164

Mr. Ingram (Peking) to Sir J. Simon (Received January 2, 3 p.m.)
No. 3 Telegraphic: by wireless [F 16/16/10]

PEKING, January 2, 1933

Your telegram No. 314¹ and India telegram No. 2969.²

Matter can only be dealt with verbally and I propose to wait till I join His Majesty's Minister at Nanking on latter's return towards the middle or end of the month.

Repeated to India.

¹ No. 157.

² Not printed.

No. 165

Sir J. Simon to Sir F. Lindley (Tokyo)

No. 1 Telegraphic [F 74/33/10]

FOREIGN OFFICE, *January 2, 1933, 4.55 p.m.*

Geneva telegram[s] Nos. 439¹ of December 8th and 475² of December 22nd.

1. His Majesty's Government have learnt with disappointment that the instructions received by the Japanese delegation just after the last adjournment of the meeting of the Committee of 19 required such radical alterations in the resolution and commentary which the Committee had already approved as to make it certain that the Committee, at their next meeting, on January 16th, will find the Japanese counter proposals unacceptable. We have always kept in mind that conciliation is the primary task of the League and our representative in the Committee of 19 and in the drafting committee has consistently maintained this view which has met with general sympathy from his colleagues. It was for the purpose of conciliation that the draft resolution and commentary were adopted by the Committee of 19 and we believe that they afforded a reasonable basis for the constitution of a conciliation committee which alone can enable the Assembly to perform the duty entrusted to it under paragraph 3 of Article 15.

2. I understand that conversations will be resumed within a few days at Geneva between Hymans,³ Drummond and representatives of the Japanese and Chinese Governments. I therefore trust that the Japanese Government may find it possible to reconsider its attitude so as to allow of a fruitful issue to these negotiations, as we should view with much concern the breakdown of the efforts at conciliation which would necessarily force the members of the League to pass to paragraph 4 of Article 15.

3. You should communicate the substance of paragraphs 1 and 2 to Count Uchida. It is not only our friendly right to make such representations but we are gravely concerned as to the possible outcome at Geneva if a deadlock on conciliation results.

Repeated to Peking No. 1.

¹ No. 91.

² No. 150.

³ M. Paul Hymans, Belgian delegate, was President of the Special Assembly of the League of Nations.

No. 166

Sir J. Simon to Mr. Ingram (Peking)

No. 2 Telegraphic: by wireless [F 8884/51/10]

FOREIGN OFFICE, *January 2, 1933, 6 p.m.*

Your telegram No. 928¹ (of December 28th. Outstanding claims against late Liaoning Government).

¹ No. 160.

I am advised that presence of a consular officer at Changchun accompanying representative of British claimants for purpose of negotiating with Claims Committee set up by Manchukuo Government might be held to involve recognition, unless consular officer managed to keep completely in the background and have no direct dealing with Committee.

In these circumstances it is not desirable that Mr. Clarke should proceed to Changchun and this should be explained to claimants.

There is of course no objection to claimants' representative negotiating directly and he should be given all assistance possible in the circumstances.

Repeated to Tokyo No. 2.

No. 167

Mr. Ingram (Peking) to Sir J. Simon (Received January 3, 5 p.m.)

No. 7 Telegraphic [F 64/18/10]

PEKING, January 3, 1933¹

My telegram No. 5.²

Chang Hsueh-liang's chief of staff called on me this morning to give me Chinese version of clash at Shanhaikwan. According to him some Japanese soldiers in civilian clothes fired a few shots at the wall at 21.30 January 1st and a few minutes later some Japanese soldiers threw a bomb at the station while Manchukuo police fired a number of rounds. Chinese headquarters asked Japanese for an explanation. Japanese replied that Chinese had started firing and they demanded walled city be evacuated by population and that military guard be withdrawn from the south gate. These demands were refused. About 10 a.m. January 2nd two Japanese armoured trains fired into the town and an assault was made on the City wall by about 200 soldiers, but was beaten off. About midday three trains with about 3,000 soldiers and 20 guns arrived at Shanhaikwan and launched a vigorous attack which was supported by six bombing aeroplanes. At midnight firing was still being heard. Japanese have cut telephones and telegraphs so the Chinese are dependent on imperfect radio communication and have no further information.

According to Japanese version obtained from Japanese headquarters Tientsin, Japanese military police and police station were bombed and fired on at 23.30³ January 1st. Japanese commander despatched a small detachment to investigate and to protect Japanese nationals. Chinese agreed to

¹ The time of despatch is not recorded.

² This telegram of January 2 to the Foreign Office reported that according to the traffic manager at Tientsin no trains were running beyond Tongshan and that the Chinese had ordered 100 troop trains.

³ According to the copy of an official Japanese telegram communicated by Mr. Matsudaira to Sir V. Wellesley on January 4, this incident took place 'towards 9.20 p.m.'. This time was also mentioned in the Japanese version of the incident given to the British Commander, Tientsin area, on January 2. For communications relating to this incident, sent to the Secretary-General of the League of Nations by the Chinese and Japanese delegations, see *L/N.O.J., S.S. No. 112*, pp. 31-35, 39-40.

allow Japanese to occupy south gate of city temporarily but when detachment proceeded it was fired on and the commander killed. Japanese returned rifle fire. During morning of January 2nd Japanese reinforcements arrived from outside the wall and attacked the south gate but at 16.00 it had not been captured.

Chinese are preparing to send reinforcements should situation show signs of developing and chief of staff informed me that any Japanese advance would be strongly resisted.

I am sending language officer⁴ to proceed as near as possible to Shanhaikwan to make enquiries and have [? asked] Commander-in-Chief if he can send a ship to Chinwangtao to protect British interests.

At the moment despite above conflicting accounts of the incident there is no sign of co-ordination of Japanese military or naval movements elsewhere in this province and the whole thing may be result of local nervous tension. At the same time it may lead to more serious developments.

Repeated to Tokyo, Commander-in-Chief and General Officer Commanding.

⁴ Captain F. H. A. Stables.

No. 168

Mr. Ingram (Peking) to Sir J. Simon (Received January 3, 5 p.m.)

No. 8 Telegraphic [F 65/18/10]

Immediate

PEKING, *January 3, 1933*¹

My telegram No. 7.²

Latest news is that Japanese occupied Shanhaikwan City this afternoon and that Japanese are pursuing retreating Chinese towards Chinwangtao.

Japanese general commanding troops at Tientsin caused communication to be delivered last night to Chang Hsueh-liang through Commandant of Japanese Legation Guard placing responsibility for the incident on the Chinese and warning Chang Hsueh-liang of grave consequences which may result involving the whole of North China.

Train movements (? strongly) indicate that Chang Hsueh-liang will bring up reinforcements. It will be very difficult for him³ this time not to make at least a show of resistance. He could never survive politically otherwise. Chinese resistance however will only aggravate situation and give Japanese excuse if it does not actually compel them in self defence to extend operations. Situation is full of dangerous possibilities.

Commander-in-Chief has instructed two sloops to proceed to Chinwangtao.

Repeated to Tokyo, Commander-in-Chief, General Officer Commanding, Mission and Tientsin.

¹ The time of despatch is not recorded.

² No. 167.

³ Marshal Chang Hsueh-liang had resigned as Peking Pacification Commissioner in August 1932 following criticism of his policy of non-resistance to the Japanese in Manchuria; cf. No. 174 below, enclosure, and Volume X, Nos. 588, 602 and 607.

No. 169

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 4, 10.10 a.m.)
No. 3 Telegraphic [F 67/18/10]

TOKYO, January 4, 1933, 4.15 p.m.

My telegram No. 1¹ and Mr. Ingram's telegram No. 8.²

Military Attaché called again this morning on General Staff who repeated assurances of yesterday but had no news of much interest.

I saw Minister for Foreign Affairs this morning and impressed on him absolute necessity of localising the trouble which is causing much anxiety to us and to His Majesty's Legation, Peking. He replied that orders had been given to localise it but that Chinese provocation must cease. Japanese Government did not at all wish to be embroiled with Chinese.

I pointed out that provocation was an elastic term and I hoped that Japanese troops would not take advantage of it.

Repeated to Peking.

¹ In this telegram of January 3 to the Foreign Office Sir F. Lindley reported that the British Military Attaché had called that morning on the General Staff, who had said that the Chinese troops had begun the trouble at Shanhaikuan station on January 1 by firing on the Japanese. The General Staff had given instructions to localize the incident, but further attacks would necessitate Japanese counter-measures.

² No. 168.

No. 170

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 4, 10.45 a.m.)
No. 2 Telegraphic [F 75/33/10]

TOKYO, January 4, 1933, 4.25 p.m.

Your telegram No. 1.¹

I handed first two paragraphs of your telegram to Minister for Foreign Affairs this morning. In a long conversation Minister for Foreign Affairs said he would examine question afresh but that Japanese government could not accept any formula which compromised the two basic principles of independence of Manchukuo and negotiations with Chinese alone. He had no objections to conciliation committee as such.

I argued that it was most important that conciliation committee should be formed and should function. It might be possible to find formula which although not accepting did not expressly run counter to the two basic principles and I begged the Minister for Foreign Affairs to help.

I felt it useless to argue against basic principles themselves since nothing will induce Japanese government to give in on these.

Repeated to Peking.²

¹ No. 165.

² The gist of this telegram was also sent to Geneva (in Foreign Office telegram No. 1 of January 6) in response to Sir E. Drummond's request for information as to the Japanese reactions to the proposed Conciliation Committee.

No. 171

Mr. Ingram (Peking) to Sir J. Simon (Received January 5, 4.30 p.m.)

No. 14 Telegraphic: by wireless [F 137/18/10]

PEKING, January 5, 1933

I saw Secretary in charge of the Japanese Legation here¹ this afternoon and said that a dangerous situation appeared to have arisen at Chinwangtao which might result in an armed conflict between the Japanese and Chinese troops. I desired to remind him that there were considerable British interests at that port² and trusted that adequate measures would be taken to prevent any injury to British lives and property there.

I have instructed His Majesty's Consul at Nanking to make similar verbal representations to the Minister for Foreign Affairs and informed Japanese Secretary that I had done so. At the same time I have caused Cheng³ to be informed of action I have taken.

I trust you will approve.⁴

Repeated to Commander-in-Chief, General Officer Commanding, Tokyo, Mission, copy to Tientsin.

¹ Mr. Nakayama.

² The Kailan Mining Administration, one of the largest British enterprises in North China, was dependent on the port of Chinwangtao for its large coal exports.

³ The reference is to Chang Hsueh-liang; cf. No. 177 below.

⁴ Mr. Ingram's action was approved in Foreign Office telegram No. 8 of 1.40 p.m. on January 7 to Peking.

No. 172

Mr. Ingram (Peking) to Sir J. Simon (Received January 5, 5 p.m.)

No. 15 Telegraphic: by wireless [F 138/18/10]

PEKING, January 5, 1933

My telegram No. 14.¹

Following is Military Attaché's appreciation of the situation and possible developments.

In triangle Hsifengko-Luanhsien-Shanhaikuan Chinese troops estimated at 42,000; Japanese troops available one division of which one regiment has already been engaged.

In the event of there being no return to status quo Japanese objective as a result of clash may quite likely now be acquisition or neutralization of Shanhaikuan Railway terminus with specified zone with a view to preventing further incidents at Shanhaikuan under present system of dual control and more particularly to closing one of the doors of entrance for subversive elements into Manchukuo. It is uncertain whether, in view of their special position under Boxer Protocol² the Japanese authorities would agree to

¹ No. 171.

² Cf. No. 188 below.

Japanese troops as well as Manchukuo and Chinese forces being excluded from such a neutral zone.

Final objective of Japanese military has long been Jehol and triangle under reference if eventually occupied would bring Japanese up to Luan River and thus close for . . .³ etc. other main gate of entry into Manchukuo at Hsifengko. In addition possession of triangle would greatly facilitate any Japanese attack on Jehol from the direction of Chaoyang. British interests would suffer if such action resulted in separating Kailan from their coaling port at Chinwangtao.

Repeated to Commander-in-Chief, Tokyo, General Officer Commanding and Mission.

³ The text as received was here uncertain but was subsequently amended in accordance with a letter of March 8, 1933, from Peking Chancery to read: ' . . . close for volunteers etc.'

No. 173

Memorandum by Sir J. Pratt

[F 74/33/10]

FOREIGN OFFICE, *January 5, 1933*

The following is an attempt to answer the question asked in Sir R. Vansittart's minute,¹ namely, what are the dangers that threaten us after January 16th?

There are two aspects to the situation that may develop if, as now seems certain, conciliation fails and the Assembly proceeds to judgment under paragraph 4 of Article XV of the Covenant, namely (1) the League aspect and (2) the Far Eastern aspect.

As regards (1) the Far Eastern Department, though it is not primarily their affair, have proceeded on the assumption that the resignation of a first class Power would be a grave shock to the League; it might lead to a considerable weakening of the moral authority of the League and might lead many other powers to doubt whether it was worth their while to remain members of the League; even if there were no further defections Japan's resignation would put an end to the ideal of a universal League and the psychological effects of this might be grave and far reaching. Resignation from the League would not necessarily mean departure from the Disarmament Conference but the frame of mind Japan would be in would probably destroy all hope of securing her adherence to any reasonable disarmament proposals. (Possibly, however, any such hope has already been destroyed.) Finally if conciliation breaks down the United States may decide to regard the naval disarmament treaties signed at Washington at the same time as the Nine Power Treaty² as abrogated. This would reopen and greatly complicate the whole question of naval disarmament.

¹ This undated minute followed those printed in note 7 to No. 155.

² For the text of these treaties see Cmd. 1627 of 1922.

The Far Eastern Department have therefore advised that every possible concession should be made to Japan with a view to inducing her to agree to conciliation, but that concession should stop short of sacrifice of any League principle. It is better that the League should become a League even of European States alone rather than that, in the attempt to become universal, it should become a League to which nobody would think it worth their while to belong.

The second or Far Eastern aspect of the situation that may arise after January 16th greatly strengthens the argument for the policy outlined in the preceding paragraph. If conciliation breaks down, whether Japan huffs herself out of the League or not, the prospect in the Far East could hardly be gloomier. The Chinese are discouraged to the point of despair at the lack of support or effective help from any quarter, and they are particularly disappointed with the attitude of Great Britain. Their present intention is to refuse to regularise Japan's ill-gotten gains and to keep up resistance to Japan's aggression by means of the boycott and guerilla warfare. They realise that this may mean five or ten years of chaos and misery, but they ask what alternative is open to them and it is difficult to answer this question. We may be faced in the immediate future with a repetition at Tientsin (where we have a large and flourishing British concession) of the outrage of last spring at Shanghai;³ there may be fighting in and round Peking when our Legation will be involved in a dangerous and humil[i]ating situation; for years ahead there may at any moment be further Japanese attacks on Shanghai or other places where they may be feeling the pinch of the boycott. The damage to British interests and British prestige and the danger to British life and property involved in all this hardly needs any emphasising.

The Japanese do not believe in the reality of these dangers. They declare that once the League has dropped the Manchurian problem China and Japan will within six months be negotiating an amicable settlement. In the Far East nothing can be ruled out as impossible. All that it is safe to say therefore is that if China does decide thus to fall into Japan's arms the result will probably be a concerted and possibly successful attempt to oust British influence and British trade from China.

For the above reasons the Far Eastern Department have been anxious to go to the extreme limit in order if possible to effect conciliation under the auspices of the League. In doing so we run a very great danger of offending and antagonizing China. When conciliation breaks down and we have to join in a League condemnation of Japan we shall run an equally serious danger of offending and antagonizing Japan. Unfortunately however it is much easier to state the dangers (which is all that this minute professes to do) than to advise how to avoid them.⁴

J. T. PRATT

³ See Volume X, Chapters I-III.

⁴ In a minute on this memorandum Mr. Orde pointed to the danger of a Japanese reaction to Chinese pressure leading to war and to an appeal by China for the application of sanctions under article 16 of the League of Nations Covenant. Mr. Cadogan wrote:

'I can only write of the League aspect of the matter. Jan. 16—or thereabouts—seems to me to be a "dangerous" date, in that it will mark the end of the period of prevarication and evasion that we have enjoyed since Sept. 18 1931. We have so far recoiled from telling Japan what we think of her action, but then we may have to say it in plain terms. Personally, I have never thought that the results of plain speech would be so very terrible, but it is undeniable that we have suffered from an inhibition on the subject—for what reason I do not quite know. Those who have seen the dangers in the past of speaking plainly to Japan will best be able to estimate the perils of Jan. 16, when we shall be forced into passing judgment.

'If Japan makes all proposals for conciliation impossible, I hope she will cease to be a Member of the League. The loss of Japan would be a great blow to the League: Japan is not only one of the permanent Members of the Council, but she is the only extra-European Great Power Member. It would mean not only the loss of one out of the 5 Great Powers: it would mean definitely and automatically a restriction of the "universality" of the League. But it would be far better that she should go than that the League should swallow its pride and its principles to keep her. I don't see why the League should not continue to exist usefully without Japan—I am not quite sure that a "regionalisation" of the League is not a necessary reform of the future.

'As to the manner of her going, there are 2 alternatives: she can be expelled under art. 16 or she can leave under art. 1 (3). I should much prefer the latter, but there is a great difficulty—under art. 1 (3) a "Member may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations and all its obligations under this Covenant shall have been fulfilled at the time of its withdrawal".

'I suppose this means that Japan must have put everything straight by 2 years hence, and I suppose we might put off the evil day by pretending to believe that she will do so during the next 2 years. But seeing that she wd be withdrawing because of her refusal to conciliate on a matter which will probably be pronounced to be a violation of the Covenant, that would be straining our faith almost beyond breaking point.

'I fear that there will be a demand to expel her, and I should consider such a demand very difficult to resist.

'As to the effect on the Disarmament Conference, I do not see that it would be considerable. Japan is already arming herself to the teeth, and the military party, I suppose, are determined to continue doing so. If a Disarmament Convention could be agreed by the rest of the world, and if the military party in Japan could survive being the outcasts of the world, it might be difficult to put the Convention into force. If the military party failed to survive, another Japanese Govt. might be shamed into accepting the Convention, and perhaps even coming back into the League. Anyhow, we can only go on with the Disarmament Conference until it reaches a result, or breaks down in spite of our efforts.

A. CADOGAN

Jan. 7. 1933

'I had meant to say, of course, that Mr. Orde has rightly pointed out one of the principal difficulties. Besides "regionalising" the League, we may have to erase "Sanctions" from the Covenant. That might be all for the best, but what would France say? A. C.'

Sir R. Vansittart wrote: 'I am grateful for these interesting minutes. I think we are all clear and agreed as to the dangers. But the long and short of it is the marked passage in Mr. Cadogan's minute. [This is apparently a reference to the penultimate sentence in paragraph 2, beginning "But it would be".] R. V. Jan. 9.'

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 3)
No. 10 [F 763/18/10]

TOKYO, January 5, 1933

Sir,

In view of the alarming reports received from Peking of the Chinese-Japanese clash at Shanhaikwan, I thought it as well, as reported in my telegram No. 3¹ of yesterday's date, to take the opportunity afforded me by carrying out the instructions contained in your telegram No. 1² of the 2nd instant, to inform the Minister for Foreign Affairs that we were extremely anxious regarding the situation which had arisen. I impressed on Count Uchida the importance especially at the present moment, of not doing anything to aggravate the situation between China and Japan, and pointed out that anything like a threat to North China would necessarily arouse the greatest anxiety amongst all the Powers. Count Uchida assured me in reply that orders had been given to localise the incident as he fully realised the importance of preventing the trouble spreading; but he added that the Chinese had taken up an exceedingly provocative attitude, and in spite of the warning of the Japanese authorities, had despatched troops into the Province of Jehol which was a part of Manchukuo territory. If such provocation continued it would be necessary for Japan to take counter-measures. I deprecated taking these Chinese troop movements too seriously and trusted in the good sense of the Japanese not to allow themselves to be provoked.

2. As you are aware from previous telegrams from this Embassy on the subject of Jehol,³ the Japanese General Staff have never made any secret of the fact that, if they were driven to take action in that Province against the troops of the young Marshal, they would probably be forced to act through the Tientsin and Peking areas. This decision rested on the probability of the young Marshal advancing into Jehol from the Peking direction; but now that he is moving his troops from a point west of Shanhaikwan into Jehol it may well be that the threat to Tientsin and Peking from the Japanese side may have become less serious. In this connection I have the honour to transmit herewith copy of a memorandum drawn up by Lieutenant-Colonel James, Military Attaché to this Embassy, dealing in an interesting manner with the strategic aspects of the problem.

I have, &c.,
 F. O. LINDLEY

ENCLOSURE IN NO. 174

Memorandum by Lieutenant-Colonel James respecting the Japanese Occupation of Shanhaikwan

TOKYO, January 4, 1933

I think I ought to draw your attention to the strategical aspect of the present occupation of Shanhaikwan by the Japanese.

¹ No. 169.

² No. 165.

³ See, e.g., Volume X, No. 663.

The Jehol question first sprang into prominence towards the end of July, 1932, as the result of the capture of a Mr. Ishimoto, a Japanese civilian official, near Peipian and inside the Jehol border.⁴ On that occasion the Japanese General Staff informed me that they had reliable reports to the effect that Chang Hsueh-liang had concentrated three brigades on the provincial border near Peking. A few days afterwards I was informed by General Koiso, then Vice-Minister of War, that Japanese action would depend entirely on that of Chang. If Chang should invade Jehol with any large proportion of his forces, Japan would certainly have to take strong counter-measures, which would include the despatch of Japanese troops to Tientsin in order to threaten the communication of Chang's troops in Jehol with Peking.

To-day the same problem has arisen in a modified form. Chang Hsueh-liang not merely threatens but has actually invaded Jehol with three brigades at least, probably more. The invasion has not taken place from the direction of Peking, as was threatened in August, but from a length of the Peking-Shanhaikwan railway stretching, say, 100 kilometres West from Shanhaikwan. These troops are holding a line running approximately due North of Shanhaikwan for 250 kilometres.

If we assume that this invasion of Jehol to be as provocative to the Japanese as the threatened invasion last August would have been if it had taken place, we might suppose that the Japanese General Staff would adopt the same strategy to meet it, as that which General Koiso said would be adopted in the first case, and, indeed, from a purely military point of view, leaving out questions of complication with the League and so on, to get between Chang's troops and their base is the obvious move. If the Japanese made a fresh landing of troops to the West of Shanhaikwan, or, alternatively, captured Shanhaikwan, and advanced Westward along the railway, they would be in a very advantageous position for dealing with Chang's troops now posted Northwards from Shanhaikwan.

If we for the moment assume that a fresh landing of Japanese troops behind the Wall would be interpreted by the League Powers as an act of aggression by Japan, and therefore ruled out by the Japanese General Staff for the time being, then an incident at Shanhaikwan which results in the occupation of the town is obviously a very advantageous one for the Japanese if they have made up their minds to use force, or even a threat of force, to persuade Chang to withdraw his troops from Jehol. Even if the present incident can be controlled and localised, it still leaves Japan in an advantageous position with her foot inside the Wall to keep the door open.

I do not wish to imply that the incident at Shanhaikwan on the 1st was necessarily a manufactured one. I wish merely to draw attention to the fact that an occupation of Shanhaikwan (if we rule out a fresh landing of troops in China proper) is the first step necessary in the most obvious military plan to cause the withdrawal of Chang's troops from Jehol.

E. A. H. JAMES
Colonel, Military Attaché

⁴ Cf. Volume X, Nos. 538, 544, 549-50, 568.

No. 175

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 6, 3 p.m.)
No. 8 Telegraphic [F 155/18/10]

TOKYO, January 6, 1933, 7.49 p.m.

My telegram No. 7.¹

Military Attaché agrees with the appreciation in Mr. Ingram's telegram No. 9.²

I saw Vice Minister for Foreign Affairs this afternoon and emphasized extreme gravity of further fighting within wall. It might easily spread to Tientsin and Peking and produce situation as bad as Shanghai. Chinese troop movements were probably purely defensive and Chinese were most unlikely to attack.

Vice Minister for Foreign Affairs replied that there had been a meeting this morning of War Office, Admiralty and Foreign Office officials who had all agreed that further fighting shall be stopped if possible. He would pass my views on to the military authorities.³

Repeated to Peking.

¹ This telegram of 1.30 p.m. on January 6 reported a statement made to the Military Attaché that morning by the Minister of War that the 'position was not yet stabilised' at Shanhaikuan.

² A note on the filed copy by Mr. Broad suggested that the reference was intended to be to Mr. Ingram's telegram No. 15 to the Foreign Office (No. 172).

³ Sir F. Lindley's telegram No. 9 of even date referred to his telegram No. 8 and said: 'We believe that Japanese do not desire extension of trouble but that they will take up anything they consider challenge from the Chinese.'

No. 176

Mr. Ingram (Peking) to Sir J. Simon (Received January 6, 4.30 p.m.)
No. 18 Telegraphic [F 176/176/10]

PEKING, January 6, 1933¹

Following received from Shanghai No. 1, January 4th, begins:

Addressed to Peking No. 1, repeated to Mission and Commander-in-Chief.

Mr. Boothby representative of the British and Chinese Corporation has received report from Peking-Mukden Railway that Shanhaikuan station occupied by Japanese Manchu troops and railway cut between Shanhaikuan and Chinwangtao. Trains from Tientsin unable to proceed beyond Chinwangtao at present. He requests that His Majesty's Legation should make such representations as are deemed suitable on behalf of British bondholders to whom railway is mortgaged under Article 3 of loan.²

¹ The time of despatch is not recorded.

² i.e. the Shanhaikuan-Newchwang Railway Loan Agreement of October 10, 1898; see MacMurray, vol. i, pp. 173-7. In a further telegram, No. 19 of even date, received in the Foreign Office at 4 p.m., Mr. Ingram said that he would await instructions.

No. 177

Mr. Ingram (Peking) to Sir J. Simon (Received January 6, 4.30 p.m.)
No. 20 Telegraphic: by wireless [F 178/18/10]

PEKING, *January 6, 1933*

My telegram No. 14,¹ last sentence.

Chang Hsueh-liang sent Foreign Affairs representative this morning to give me his reply which was that if Japanese troops attacked Chinese or executed a landing at Chinwangtao Chinese would be compelled to resist in which case they could not accept responsibility for damage to British lives and property.

2. Representative informed me in reply to question that although situation was quiet at the moment Chinese line was only three miles from Shanhaikuan and that forces were being mobilized for the purpose of re-capturing the city. I am endeavouring to confirm this statement for if any attempt is made to carry out such intention . . .² further serious consequences. Military movements on the railway do not as yet support it.

3. He added that Chang Hsueh-liang was in a very difficult situation as he was disliked by both Chinese and Japanese and had now resigned himself to carrying out orders of Nanking even against his own better judgment.

Repeated to Commander-in-Chief Tokyo, General Officer Commanding and Mission.

¹ No. 171.

² The text as received was here uncertain, but was subsequently amended in accordance with a letter of March 8 from Peking Chancery to read: 'intention it will have serious consequences'.

No. 178

Record by Sir V. Wellesley of a conversation with Mr. Matsudaira
[F 230/33/10]

FOREIGN OFFICE, *January 6, 1933*

The Japanese Ambassador called this afternoon and said that he had come to explain to me verbally how the situation at Shanhaikuan had arisen.¹ First of all it was necessary to understand that the exact boundary between Manchuria and China proper had never been delimited. Jehol was regarded by the Manchukuo as being in Manchuria. Anyway the present trouble had arisen owing to the fact that General Chang Hsueh-liang, in spite of repeated warnings from the Japanese military authorities had persisted, on instructions from Nanking, in concentrating Chinese troops in this disputed area. This had been done in the most provocative manner and with the obvious intention of aggravating the situation at Geneva. The Japanese

¹ Cf. Nos. 167 and 168.

troops had been forced to occupy Shanhaikuan because the Chinese had opened fire on the Japanese troops and had killed a Japanese officer. The Chinese had been driven out of Shanhaikuan and the Japanese had now fallen back into Manchuria leaving only a small body of men at Shanhaikuan. His Excellency wished to say most emphatically that the Japanese were not responsible for starting all this trouble and it was not their wish to pursue the matter any further. From the latest reports which he had received there seems to be every probability that a settlement would be arrived at between the Chinese and Japanese commanders which he hoped would put a stop to the fighting. His Excellency said that he thought the proposal which the Japanese had in mind was the evacuation by both sides of the disputed area.

His Excellency then passed on to the situation at Geneva and in this connection left with me the annexed memorandum containing observations on the amendments proposed by the Japanese Delegation² to the draft resolution of the Committee of Nineteen. This paper, His Excellency said, dealt with the main issues but did not by any means exhaust the Japanese arguments. In reply to a question of mine, Mr. Matsudaira replied that the Japanese Government were adamant on two points: (1) The complete separation of Manchuria from the sovereignty [*sic*] of China and (2) That Japan should negotiate with China without the participation of any third party.

When I observed that this offered little hope of a satisfactory settlement at Geneva and would place everybody in a very difficult position, His Excellency replied that the Japanese felt very grateful to Sir John Simon for his recent speech³ and that they felt convinced that they would be able to count at least on his good-will.

I said that the Secretary of State had of course done all that was humanly possible to effect a settlement without giving umbrage to either party but that there were limits to his powers of conciliation and I could not help feeling that such an uncompromising attitude on the part of the Japanese Government would place him in a very difficult position and that it would not be his fault if the Japanese government were to find themselves disappointed in the end.

Mr. Matsudaira, himself, seemed to have no illusions as to the real situation and throughout the conversation was careful to draw a distinction between his personal views and those of his Government. He gave me to understand, quite clearly, that he personally regarded the unbending attitude of his Government as a mistaken policy but they were firmly convinced that China would be forced to negotiate with Japan alone and that this would prove to be the only satisfactory solution which would ultimately come to be recognised by everyone.

His Excellency then went on to say that Japan would be most reluctant to leave the League with which she had been associated from its very inception and in which she had always taken an active part, and that if she had to do so it would be with the utmost regret.

V. W.

² Cf. No. 142.

³ On December 7 in the Special Assembly of the League of Nations; cf. No. 91.

*Strictly confidential**Observations Regarding the Amendments Proposed by the Japanese Delegation to the Draft Resolutions [sic] and the Statement of Reasons**1. Draft Resolution No. 1. Paragraph 4*

(a) The original draft⁴ has for its starting point an idea of conciliation that implies a procedure whereby negotiations would take place not only between the two parties, but between these two and a third party. This constitutes in fact negotiations between Japan and China to which foreign observers would attend, a situation which is destined to bring about the intervention of third parties.

(b) The original draft assumes that the negotiations will be based upon the principles of Chapter 9 and the suggestions of Chapter 10 of the Report of the Commission of Enquiry. However, principles 7 and 8 cannot be reconciled with actual conditions, and the suggestions of Chapter 10 are only an instance of the application of the afore-mentioned principles of Chapter 9 as the Report clearly indicates. These suggestions embody too many details and are to a large extent inapplicable to actual conditions. In these circumstances they can hardly be taken up as the basis of solution.

(c) We are convinced that direct negotiations between Japan and China constitute the best means to reach a solution. We know from our long experience that the Chinese will never bear their own responsibility so long as they believe they can shield themselves behind a third party. We are certain that as soon as they feel that they cannot count upon others, they will be ready to enter into direct negotiations. It is therefore essential that the League of Nations should induce the Chinese to take this course and that errors made in the past by the League in this connection should not be repeated. The intervention of the League has, up to the present, made confusion more confounded and has thus hampered the solution of the problem. It is in the general interest that direct negotiations should be undertaken as soon as possible.

2. Draft Resolution. Paragraph 6

(a) In inviting non-member States to participate in the work of the new Committee, these States are accorded rights without the obligations of the Covenant being accepted by them. This would result in shaking the fundamental principles of the League, and it can hardly be admitted by those desiring the healthy development of this organisation.⁵

(b) In the relations between Japan and the United States in connection with the Chinese question, the Japanese people have often felt that the United States were always attempting to impose her [sic] will upon Japan. The

⁴ See No. 127.

⁵ Sir R. Vansittart commented on this passage: 'The Japanese continue entirely obdurate. After the way in which Japan has behaved towards the League 2 (a) of the "Observations" is an entertaining piece of impertinence. R. V. Jan. 13.'

participation of the United States in the work of the Committee would again be interpreted as an attitude of intervention on the part of the United States in the Manchurian question, and would be unwelcome to the Japanese people.

(c) With regard to the participation of the U.S.S.R., its policy of non-cooperation with the League of Nations should be taken in consideration. It would be also relevant to note that the relations between Japan and the U.S.S.R. have recently become closer, and as far as the Manchurian question is concerned, the results that would be obtained by the participation of the U.S.S.R. in the new Committee have already been practically secured. Consequently, it does not seem necessary to expose the League to the constitutional danger mentioned above by trying to obtain the participation of the U.S.S.R. in the Committee.

3. *Statement of Reasons, last paragraph*

(a) In the original draft,⁶ there is only a partial quotation from the Lytton Report. That does not give a true picture of the document. It is not only against equity to cite fragmentary principles isolated from the context, but such a procedure may lead to false conclusions.

(b) The Japanese Government consider that the recognition of Manchukuo is the only solution of the Manchurian question conformably with realities. It is the surest means to consolidate peace in the Far-East, an object which the League of Nations has also been trying to promote. They cannot therefore under any conditions accept the assertion that 'the maintenance and recognition of the present régime in Manchuria cannot be considered as a satisfactory solution'.

(c) It may be contended that this affirmation is not contained in the Resolution, but only in the Statement of Reasons and that it has no practical importance.

The fact, however, that it would be accepted by the Assembly, would impose certain limits on the action to be taken by the new Committee, and it would prejudice the task of conciliation to be undertaken by this Committee. It is absolutely necessary therefore that this paragraph should be deleted entirely.

⁶ See No. 128.

No. 179

Sir R. Graham (Rome) to Sir J. Simon (Received January 11)

No. 9 [F 281/33/10]

ROME, *January 6, 1933*

Sir,

With reference to your despatch No. 994¹ of October 10th last, I have the

¹ This despatch transmitted to Rome a copy of the U.S. Government's memorandum (see *F.R.U.S. 1932*, vol. iv, pp. 250-3) relating to steps that might be taken in the vicinity of the foreign legations in Peking in view of possible Sino-Japanese hostilities in the neighbourhood; cf. Volume X, No. 704.

honour to report that in course of conversation on January 5th the Head of the Department concerned in the Ministry of Foreign Affairs expressed the view that the recent Japanese action at Shan-hai-kwan would be fraught with very serious consequences for the League of Nations. He considered that it was essential to take a completely realistic view of developments in the Far East. The smaller countries at Geneva were clamouring for a strict application of the Covenant, but they had no direct interest at stake, and knew perfectly well that they could not be called upon to make any effective contribution to the imposition of sanctions. He did not for a moment imagine that His Majesty's Government would contemplate the use of the British fleet to impose such sanctions, which were in his view a practical impossibility. The Japanese had a good deal of right on their side, but they had played their cards badly and put themselves technically in the wrong at almost every point. He believed that their present tactics were all of a piece with those which they had adopted at Shanghai, viz. to distract attention from their real objective, which was Manchuria, and to obtain a bargaining counter to be surrendered in exchange for a free hand in the three northern provinces. To obtain such a bargaining counter he thought it possible that they might go on to Tientsin or even Peking. The possession of Manchuria was essential to Japan, who had already fought two wars to obtain it. It was useless to ask her to give it up and impracticable for either Europe or America to attempt to turn her out. The only Power that might be able to do so was Russia. He had personal knowledge of the Russian attitude and he believed that the Bolshevik Government had two Chinese policies, one or other of which they followed alternately and sometimes both together. The first was simply the old traditional Russian policy of recognising a Japanese sphere of influence in southern Manchuria in return for Japanese recognition of a Russian sphere in Chinese Turkestan and Outer Mongolia. The other policy was that of the Third International, and aimed at the Bolshevisation of China and her absorption in the Soviet Union when the Japanese in Manchuria would be caught between the jaws of the Soviet pincers and pushed out.

2. He thought that the recent renewal of relations between Soviet Russia and China² was a serious development and was not without influence on the latest Japanese move. He did not think that there was anything that the League could do at present, though he appreciated the serious effect on its prestige that a confession of impotence would produce. On the other hand, he did not believe that Japan was at all anxious to leave the League if the latter could refrain from pillorying her publicly.

3. One consequence of the inability of the League to achieve anything really effective in China or South America might be to concentrate League activities in Europe, and this in itself might not be a bad thing. But for successful action in Europe it would be necessary to get away from the original Wilsonian conception of the absolute equality of all States regardless of their size and importance. The comity of European nations were rather like the

² Cf. No. 123.

shareholders of a company, who, if the enterprise was to be successful, had to leave the management to a board of directors, or, in other words, to the Great Powers. He believed that the Disarmament Conference had really been saved from shipwreck as soon as the idea of a Conference of the five Powers had been accepted in principle.³ Once they managed to reach an agreement on anything, the lesser States were bound in the end to fall into line, and this was for the general good.

4. Reverting again to China, Signor Quaroni expressed the view that the restoration of order was too big a task for any one man to bring about: centrifugal tendencies always made their appearance whenever anyone looked like establishing his position throughout the country. If a degree of peace and order were ever to emerge from the present chaos, he thought it was more likely to come about as the result of the various contending factions gradually coming to an equilibrium which would afford a chance for various local governments to consolidate their positions and extend their authority outwards over the immediately surrounding districts. Such a relatively favourable development was unlikely to be promoted by Russian activities in the Far East. These, he thought, were likely to be intensified and he regarded them as potentially dangerous; less immediately dangerous, perhaps, for Great Britain than for France, as in our case Tibet formed a valuable buffer State, largely inaccessible to Bolshevik propaganda. On the other hand, we were more exposed in Persia, and he wondered how far Russian influence was responsible for the Persian denunciation of the D'Arcy Concession.⁴

5. I have thought it worth while to report Signor Quaroni's remarks at some length, as, although unpremeditated and *décousus*, they throw some light on the way in which the Far Eastern problem is likely to be viewed by the Italian Government.

I have, &c.,
R. GRAHAM

³ See Volume IV, Chapter IV.

⁴ The Persian Government had announced to the Anglo-Persian Oil Company on November 27, 1932, its cancellation of the Concession granted, on May 28, 1901, to Mr. W. Knox D'Arcy for sixty years for the discovery, exploitation, and export of petroleum throughout the whole of Persia except the five northern provinces. See *L/N.O.J.*, December 1932, pp. 1987-90, 2296-308; cf. also S. H. Longrigg, *Oil in the Middle East* (London, 1961), pp. 17, 57 ff.

No. 180

Mr. Ingram (Peking) to Sir J. Simon (Received January 7, 5.45 p.m.)

No. 26 Telegraphic: by wireless [F 194/18/10]

Important

PEKING, January 7, 1933

American and French Ministers, secretary in charge of Italian Legation and I have been considering question of mediation (which so far neither side

shows any sign of desiring) in the hopes of localising Shanhaikuan affair. Now that movement of Chinese reinforcements to Tangshan area has commenced question becomes acute.

2. Our view is that any mediation undertaken without full consent of highest authorities on both sides is to be deprecated and mediation if attempted should be under the auspices not of any one Power but of the Great Powers acting in concert if not of the League itself. The main object should be to bring both parties together with representatives of major Powers designated by the League participating as at Shanghai with restricted aim of localising the affair and preventing extension of military operations.

3. There is the difficulty on the one hand that Japanese operations are being directed from Chinchow under the instructions of General Muto at Changchun¹ and on the other hand that Chang Hsueh-liang will probably take no responsibility without the sanction of Nanking. We are alive to danger of undertaking any commitments which would involve our forces as police for any neutral area or of offering any guarantees to either side.

4. Information thus far available to us here would indicate that it is true that the only settlement which could satisfy (a) Japanese, would be the elimination of Chinese military from Shanhaikuan and maintenance of Japanese rights under Boxer protocol or (b) Chinese, would be the re-occupation by them of Shanhaikuan and recognition of their undisputed right to dispose their forces where they pleased inside the Wall and probably [in] Jehol. These objectives are admittedly well-nigh [*sic*] irreconcilable but if extension of operations is to be avoided we feel in spite thereof some attempt at mediation along lines of second paragraph above appears the only chance of possible solution.

We venture therefore to suggest to our respective governments² that the offer of our good offices for the purposes outlined above be made to governments at Tokyo and Nanking.

Repeated to Commander-in-Chief, Tokyo, General Officer Commanding and Mission. Copy to Tientsin.

¹ Cf. No. 43.

² For the corresponding telegram sent to the Secretary of State by Mr. Johnson, U.S. Minister in China, on January 7, see *F.R.U.S.* 1933, vol. iii, pp. 23-24. Cf. No. 187 below for action by the French Minister.

No. 181

Mr. Ingram (Peking) to Sir J. Simon (Received January 7, 5.45 p.m.)
No. 27 Telegraphic: by wireless [F 197/18/10]

PEKING, January 7, 1933

Following received from Commander-in-Chief No. 117 of January 6th.
Begins:

Addressed to H.M.S. 'Folkestone';¹ repeated to the Admiralty and Peking.

¹ A copy of this message (No. 1007/6) from Admiral Sir H. Kelly was received in the Foreign Office from the Admiralty on January 7.

Give my compliments to Admiral Tsuda and to General Ho² and say that in the unhappy event of hostilities breaking out in Chinwangtao, in view of our personal friendship I count on their most earnest endeavours to avoid risk to British lives and property.

You should also offer your good offices if required in order to obtain some peaceful solution of the situation.³

² Vice-Admiral S. Tsuda and General Ho Chu-kuo were the local Japanese and Chinese Commanders.

³ According to a message received in the Foreign Office from the Admiralty on January 10, Commander Taylor of H.M.S. *Folkestone* informed Admiral Kelly on January 9 that the Japanese and Chinese commanders had both promised to protect British lives and property but could not assume responsibility if the other side were to start operations which must lead to their being endangered.

No. 182

Mr. Ingram (Peking) to Admiral Sir H. Kelly

No. 22¹ Telegraphic [F 195/18/10]

PEKING, January 7, 1933

Your telegram No. 117² and Senior Naval officer, Chinwangtao telegrams Nos. 19 and 23,³ January 6th only reached me this afternoon.

Second half of message contained in your telegram under reference may draw the Senior Naval Officer into negotiations involving highly contentious political issues. I trust Commander Taylor realises the pitfalls which the experience of Shanghai negotiations taught us. I do not know if you have issued any general instructions to him but presume you will see that he is alive to the danger of doing anything other than, at this stage, facilitating meeting between local rival military commanding officers. He should avoid expressing any opinion or being drawn into any discussions.

For general question of mediation see action being taken by my American, French and Italian colleagues and myself in my telegram No. 26⁴ to the Foreign Office. My fear is that if 'Folkestone' negotiations were to break down prospects of International action foreshadowed in latter telegram may be prejudiced.⁵

Repeated to Tokyo, Foreign Office, General Officer Commanding and Mission.

¹ This telegram was repeated by wireless as No. 29 to the Foreign Office (received at 5.45 p.m. on January 7).

² Cf. No. 181.

³ Not printed.

⁴ No. 180.

⁵ Admiral Sir H. Kelly, in telegram No. 120 of January 8 to Mr. Ingram (repeated to the Foreign Office in Peking telegram No. 36 of January 10), replied that Commander Taylor 'has to deal with a local situation and is not likely to be drawn into any discussions or mediation, serving only as a means of communication between the two local Commanders'; he could 'see no reason for the fear expressed in last paragraph' of Peking telegram No. 22. The Foreign Office, however, in telegram No. 13 to Peking of January 13, approved the warning given by Mr. Ingram in telegram No. 22, and in a letter to the Admiralty of January 17 (F 312/18/10) expressed the hope that 'the practice of consulting the Legation beforehand will always be followed in any similar case in the future'.

No. 183

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 8, 9 a.m.)
No. 11 Telegraphic [F 199/18/10]

Immediate

TOKYO, January 8, 1933, 2.40 p.m.

Mr. Ingram's telegram No. 18.¹

Real difficulty lies in Jehol as province of Manchukuo which² Japan has assumed the duty of defence against what she considers attack from outside. I fear there is no chance of persuading Japan to give up this duty, in these circumstances the only hope of stopping hostilities is that China should either undertake not to attack Jehol or redistribute her troops so as to remove threat of attack. If she did either, Japanese would probably evacuate Shanhaikuan.

She will probably refuse as she did at Shanghai and I fear the result may be similar.

Immediate cause of trouble is decision of Nanking government to reconquer province of Manchukuo by force. However justifiable and patriotic decision may be it shows little political sense or consideration for the Powers whose assistance China appeared to be constantly invoking.

All our information points to Japanese not wishing to bring on Jehol question now . . .³ part of second division from Chinchow has reached Japan according to schedule. Remainder has probably been kept back.

Repeated to Peking.

¹ No. 176. A note by Mr. Orde suggests that Sir F. Lindley might be referring to Peking telegram No. 26 to the Foreign Office (No. 180).

² It was suggested on the filed copy that this should read: 'Manchukuo of which.'

³ The text is here uncertain. The insertion of 'and this is shown by fact that' was suggested on the filed copy.

No. 184

Extract from Memorandum by Mr. Wigram (Paris)¹
[F 510/33/10]

PARIS, January 8, 1933

5. There were some strong articles in the Left newspapers yesterday about the Manchurian question; and M. Blum² wrote that France would ask all the signatories of the Covenant to denounce the Japanese action. M. Cot³ told me that these articles were important; and that the French Delegation

¹ This memorandum (W 254/40/98) by the First Secretary in H.M. Embassy, Paris, was received in the Foreign Office on January 9. It related mainly to questions other than the Far East and only the extract here printed is filed under F 510/33/10.

² M. Léon Blum, Deputy for Narbonne, was one of the directors of the Socialist daily newspaper, the *Populaire*.

³ M. Pierre Cot was Under-Secretary for Foreign Affairs in M. Paul-Boncour's cabinet. A note on the file by Mr. Broad reads: 'M. Pierre Cot is of course the French equivalent of the Prime Minister's Parliamentary Private Secy.'

will certainly ask for action against the Japanese under paragraph 4 of Article 15 of the Covenant—(publication of a 'Report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard thereto'). He said that the Chamber felt strongly about this; and it would not be possible for the French Government to hope to be allowed to bring the Disarmament Conference to a satisfactory solution unless at least this action was taken against Japan.⁴

⁴ Sir R. Vansittart commented in a minute of January 12 that if this were an accurate forecast of the French attitude at Geneva it would 'not be easy to confine our attitude to merely standing on the Lytton report, as is at present contemplated'. Sir J. Simon remarked on January 14: 'I do not quite see why this is more than standing on the Lytton Report.'

No. 185

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 9, 9.45 a.m.)
No. 13 Telegraphic [F 204/18/10]

TOKYO, January 9, 1933, 4 p.m.

My telegram No. 11.¹

The more I consider the question the less do I think intervention by the Powers likely to be useful at the present juncture. Japanese evidently desire to circumscribe trouble as much as possible and are more likely to succeed in doing so if left to themselves than if offered mediation which will irritate them.

Repeated to Peking.

¹ No. 183.

No. 186

Mr. Ingram (Peking) to Sir J. Simon (Received January 9, 5 p.m.)
No. 32 Telegraphic: by wireless [F 228/18/10]

PEKING, January 9, 1933

Following received from Sub-Legation No. 2.

Begins:—

Your telegram No. 14¹ to Foreign Office.

Representations were made to Minister for Foreign Affairs this morning as instructed. He states that Chinese troops had instructions to protect British lives and property but that if they were attacked by Japanese they would resist to utmost in which case Japanese must be held responsible for any damage done to foreign interests at Chinwangtao.

Ends.

¹ No. 171.

Record by Sir V. Wellesley of a conversation with the French Ambassador
[F 318/18/10]

FOREIGN OFFICE, *January 9, 1933*

The French Ambassador called early this morning and read out to me a telegram from the French Minister in Peking similar to Mr. Ingram's telegram No. 26¹ of January 7th proposing that the Powers should offer mediation to China and Japan.

His Excellency said that he had been instructed to enquire what action we proposed to take in the matter?

I told the Ambassador that the matter was under consideration and that for the moment I could not tell him what the decision would be as there was a considerable difference of opinion as to the wisdom of the proposed action but that I would let him know as soon as possible.

His Excellency said that he too had considerable misgivings on this point and that if he had been at Peking he would never have recommended his Government to take that action. He would have approached the matter in a different way. Instead of offering mediation he would have appealed to the Protocol of 1901² and would have invited the parties to that instrument, including the Japanese, to join in the maintenance of peace and order in the territory adjoining the railway. This, His Excellency maintained, was a proposal the Japanese could not refuse and would be the best way to put a stop to the fighting in that region.

I told His Excellency that this idea had not occurred to us but that I would have it examined and let him know what we thought of it.³

V. W.

¹ No. 180.

² For the text of this Protocol see *B.F.S.P.*, vol. 94, pp. 686 ff. Cf. No. 188 below.

³ Mr. Ingram's telegram No. 33 of January 10 (received 9.30 a.m. on that day) said that his French colleague had informed the U.S., Italian, and British representatives that the question might shortly be raised officially of the attitude of the co-signatories of the Boxer Protocol to the use being made by Japan of her rights under it, particularly in regard to the Tientsin-Peking area. The matter was discussed in minutes on the file by Sir J. Pratt, Mr. Orde, and Sir V. Wellesley on January 10. Sir J. Pratt pointed out that under the Boxer Protocol the Japanese had the right to maintain a guard for their Legation at Peking, a garrison at Tientsin, and railway guards on the section of railway Lanchow to Shanhai-kuan (61 miles). No limit had anywhere been placed on the number of troops that she might use for these purposes, and if she chose to use this situation to wage a campaign of aggression it was difficult to see what actions the other powers with their limited forces on the spot could take to check her. Mr. Orde referred to 'a separate memo. by Sir J. Pratt' explaining the position at greater length (cf. No. 188). Sir V. Wellesley wrote: 'I have explained to M. de Fleuriau that his plan is impracticable. V. W. 10/1/33.'

Memorandum by Sir J. Pratt¹

[F 365/18/10]

FOREIGN OFFICE, [January 1933]

The position at Shanhaikwan so far as it is affected by the final protocol of September 7th, 1901, commonly known as the Boxer Protocol is as follows:—

By Article IX the Powers were granted the right to occupy 13 points to be determined by agreement between them on the railway,² including Tientsin and Shanhaikwan, 'for the maintenance of open communication between the capital and the sea.' In connexion with the handing back to the Chinese Authorities of the administration of Tientsin, the representatives of the five Powers—Great Britain, France, Germany, Italy and Japan—maintaining the Provisional Government of that Port, addressed to the Chinese Government identic notes³ embodying the conditions of the retrocession of the city, the principal of which were that the Chinese Government should not station or march any troops within 20 Chinese li (6½ English miles) of the city or of the troops stationed at Tientsin and that the jurisdiction of the commanders of the posts to be established along the line of communications should extend to a distance of 2 miles on either side of the railway. It was agreed that this military control would relate only to offences against the railroad or telegraph lines or against the Allies or their property.

On the outbreak of the Revolution in October 1911 the five Powers decided that it was necessary to guard the railway as far as Shanhaikwan in order to keep open communication with the coast. An agreement⁴ was reached between the representatives of the five Powers in Peking in accordance with which the railway was divided into five sections for protection by British, French, German, American and Japanese troops, the section from Lanchow to Shanhaikwan being allotted to Japan. Proposals previously made by Japan for the neutralisation of the line were not adopted and it was expressly agreed that both Chinese Imperial and Revolutionist troops should be at liberty to use the railway.

In 1923 after the Linchêng bandit outrage His Majesty's Government put forward proposals for increasing the North China garrisons with a view to occupying, as distinct from guarding, the Peking–Shanhaikwan Railway, but owing to the opposition of other Powers the scheme was dropped. During

¹ This undated and unsigned memorandum was filed in the Foreign Office registry on January 16. It is presumably the memorandum referred to by Mr. Orde in his minute of January 10, see No. 187, note 3.

² i.e. the Peking–Shanhaikuan railway.

³ For an English text of this note of July 15, 1902, see MacMurray, vol. i, pp. 316–18.

⁴ The reference appears to be to the Resolutions adopted by the Diplomatic Body at Peking and embodied in its circular No. 13A of January 26, 1912, in accordance with which the railway from Peking to Shanhaikuan was divided into six sections for protection by American, British, French, German, Italian and Japanese troops respectively; see *ibid.*, pp. 318–19.

the Civil War of 1924/5 the railway was taken over by Chinese military forces and Peking was entirely cut off and could only communicate with the sea by wireless. The international garrison at Tientsin opened communications with both Shanhaikwan and Peking by running armoured trains. These met with no opposition but were hampered by the ineptitude of Chinese railway officials. In December 1925 communications were interrupted for a fortnight and an international armoured train at Shanhaikwan was stopped and ordered back to Tientsin under threat of bombardment. This was plainly a violation of the Boxer Protocol but Sir R. Macleay⁵ was of opinion that the spirit and the object of the protocol of 1901 were to secure that in the event of another anti-foreign rising means should be furnished for the evacuation of the Legations and foreign communities from Peking; that the right of occupation of points on the railway could not be claimed while there were no signs of any such movement; that in similar circumstances no protest could be made against the use of a Chinese Government railway by the Chinese factions, and that to use force to secure the running of an international train through the area of hostilities would be unwise. This view prevailed and has governed the subsequent attitude of the Powers towards the railway with the exception that in 1931 the Japanese invoked the provisions of the Protocol to insist on the withdrawal of Chinese troops to a distance of 20 Chinese li from Tientsin city.⁶

It would seem that the Provisions of the Protocol and subsequent exchange of notes cannot be interpreted as prohibiting China from stationing troops at Shanhaikwan or at any other place along the railway excepting only Tientsin. In any case, should a suggestion be made that under the terms of the protocol China should be called upon to withdraw her troops from the neighbourhood of Shanhaikwan in order to avoid a clash with Japan this would be to treat China as the aggressor, a position which public opinion would probably not tolerate. Moreover to use the Boxer Protocol for a totally different purpose from that which it was originally intended to serve would seem to be a quite indefensible proceeding. On the other hand Japanese troops have guarded the Lanchow-Shanhaikwan section for the last 21 years under the agreement reached with the other Powers in 1911,⁷ and it is practically certain that she will never surrender this task to the troops of any other Power, or to an international force even if Japanese troops were included in that force. Moreover it is extremely probable that this area will be involved in serious hostilities should the Japanese campaign against Jehol materialise in the spring. Any foreign troops guarding the railway would then find themselves in a very difficult position.

⁵ Sir James William Ronald Macleay, H.M. Minister at Peking, 1922-7.

⁶ For the riots in Tientsin in November 1931 and the resulting Japanese action, see the Lytton Report, pp. 75-76.

⁷ Cf. note 4 above.

No. 189

Mr. Ingram (Peking) to Sir J. Simon (Received February 25)

No. 31 [F 1274/16/10]

PEKING, *January 9, 1933*

His Majesty's Chargé d'Affaires, Peking, presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and transmits herewith three copies of the undermentioned paper.

Name and Date

From Acting British Consul-General,
Chungking, despatch No. 116 of
22/12/32

Subject

Sino-Tibetan Hostilities

ENCLOSURE IN NO. 189

Mr. Stark Toller to Mr. Ingram

No. 116

CHUNGKING, *December 22, 1932*

Sir,

With reference to my telegram No. 31¹ of the 22nd instant, I have the honour to report that, according to information from Mr. Sherap, the Tibetan interpreter at Tatsienlu, the Szechuan forces, on their retirement, lent three machine guns, eight pieces of artillery and thirteen trench mortars, with the requisite ammunition, to the Kansu (Kokonor) forces for the purpose of their attack on Chiamdo. Mr. Sherap adds that peace negotiations are now going on; this is confirmed by Mr. Cunningham, of the China Inland Mission at Tatsienlu, who states that the Tibet-Kokonor agreement will be on the same lines as the Tibet-Szechuan agreement reported in my despatch No. 96² of the 9th ultimo, and that in each case the duration of the agreement is fixed at three years. Mr. Cunningham states that there is now peace along the entire frontier.

2. Mr. Cunningham states that the Chinese troops suffered considerably from disease, cold and lack of food during the retirement from Derge, some 500 dying on the way, while among those arriving at Tatsienlu there were numerous cases of frost-bitten hands and feet which are being cared for by the French sisters.

3. A copy of this despatch is being sent to the Government of India.

I have, &c.,

W. STARK TOLLER

¹ Repeated to the Foreign Office in Peking telegram No. 923 of December 26, 1932, not preserved in Foreign Office archives.

² A copy of this despatch, not printed, was received in the Foreign Office on January 4, 1933, as enclosure in Peking despatch No. 1498 of November 17, 1932. It reported the terms, as given in the local Chinese press, of what appeared to be a rough version of the text of an armistice agreement said to have been signed on October 8.

No. 190

Mr. Ingram (Peking) to Sir J. Simon (Received February 27)

No. 32 [F 1307/18/10]

PEKING, *January 9, 1933*

His Majesty's Chargé d'Affaires, Peking, presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and transmits herewith three copies of the undermentioned paper.

Name and Date

Minute by Mr. E. M. B. Ingram of 6.1.1933.

Subject

Shanhaikuan Incident.

ENCLOSURE IN No. 190

Minute of Conversation between Mr. Ingram and Mr. Nakayama

PEKING, *January 5,¹ 1933*

I went to see the Secretary in charge of the Japanese Legation this afternoon² and told him that it seemed to me that a dangerous situation appeared to have arisen at Chinwangtao which might result in an armed conflict between Japanese and Chinese forces. I desired to remind him that there were considerable British interests at that port and trusted that adequate measures would be taken to prevent any injury to British lives and property there. I told Mr. Nakayama that I was causing similar representations to be made to the Chinese Minister for Foreign Affairs in Nanking and that I was also causing Marshal Chang Hsüeh-liang to be informed of the action I was taking both with the Chinese and Japanese authorities. I trusted that Mr. Nakayama would not misunderstand the motive behind my representations. I had to face the fact that the hostilities which had so unfortunately broken out were approaching the area in which considerable British interests existed and I should be failing in my duty if I did not remind both sides of this fact. Mr. Nakayama professed to understand the situation thoroughly and promised that he would pass on what I had said to the appropriate Japanese authorities.

We then proceeded to discuss the situation which had arisen at Shanhaikuan. Mr. Nakayama told me that as soon as he became aware of the movement of Chinese troops into Jehol outside the Great Wall, he had, on his own initiative and without instructions from his government, had a long conversation with the Young Marshal. He had pointed out to him that these military movements into Jehol could only be regarded by the Japanese division stationed at Chinchow as a threat to it and its security. He begged him therefore in his own, as well as in the general interests, to countermand the movement. The Young Marshal assured him that the movement had no military significance whatsoever; that it was due solely to the necessity for taking some step to save China's 'face', and had been ordered by Nanking

¹ Date of drafting; this minute was initialed by Mr. Ingram on January 6.

² Cf. No. 171.

for internal political reasons arising from the Third Plenary Session of the Kuomintang which had just been held there. Mr. Nakayama professed to have done his level best to impress on the Young Marshal the serious results which might arise from this troop movement: without success however. On my enquiring as to when this conversation took place, Mr. Nakayama told me that it had occurred at the end of the year. This conversation may or may not have some significance when it comes to any attempt to arrive at the truth as to whether or not the Shanhaikuan incident was the result of a premeditated design on the part of the Japanese.

Mr. Nakayama told me that as soon as the first news of a conflict at Shanhaikuan had reached him, he had again approached the Young Marshal and begged him to avoid unnecessary bloodshed and complications by withdrawing the Chinese troops to some position out of range, otherwise he was very much afraid that a conflict would ensue which might result in untold complications. Once again, however, the Young Marshal proved deaf to the Japanese suggestions and matters had to take their course. He assured me that at the moment fighting had ceased; the Japanese were in occupation of the walled city at Shanhaikuan and were assuring the maintenance of law and order there. The Chinese had withdrawn behind the Hsih Ho. As regards the situation at Chinwangtao, the Japanese cruiser and two destroyers had arrived there and another ship (mine layer or mine sweeper—he was not sure which) was on its way. He could assure me that the presence of these Japanese naval units at Chinwangtao was for the protection of Japanese nationals there and possibly for their eventual evacuation should such a step become necessary, but there was no intention at the moment of making a Japanese landing at the port, provided the Chinese took no step which would force their (the Japanese) hand.

Upon my asking him whether any negotiations had yet taken place to liquidate the situation which had arisen, Mr. Nakayama said that no demands had been made either by himself or by the Japanese military. The next move rested with the Chinese and unless he received instructions to the contrary, both he and the Japanese military would await overtures from the Chinese side. The Japanese had no desire to aggravate the situation or extend the operations, but he feared that great pressure was being brought to bear by Nanking on the Young Marshal to endeavour to re-capture Shanhaikuan. Any such step would, of course, precipitate matters and produce untold consequences.

Upon my asking him what he imagined to be the *desideratum* of his Government in liquidating the incident, Mr. Nakayama replied that it was primarily a military question. He outlined for me the three lines of the Chinese defence, the inlets through the Great Wall whereby munitions and men had been wont to filter into Jehol, using Shanhaikuan as a base, and stated his opinion that though Chinese Civil authority might without danger be re-established in Shanhaikuan, he did not think that the Japanese military would allow any return to the *status quo ante*, which would enable the Chinese military to continue to use Shanhaikuan in the same manner as they had

done before. Upon my enquiring whether he had allowed any hint of this attitude to be conveyed to the Chinese authorities, he said 'No'.

I thanked Mr. Nakayama cordially for the information he had given me and finally reminded him once more that the object of my visit was to safeguard British lives and property and to avoid danger to British interests at Chinwangtao.

E. M. B. I.

6. 1. 33.

No. 191

Letter from Sir E. Drummond (Geneva) to Mr. Cadogan¹

[F 426/33/10]

LEAGUE OF NATIONS, GENEVA, *January 9, 1933*

My dear Alec,

Very many thanks for sending me the telegram giving an account of Lindley's conversation with the Japanese Minister for Foreign Affairs.² Sugimura had also heard of the step taken at Tokio; but the two stories are not altogether consistent.

In the Japanese account Ushida did not promise further consideration; but only stated that the two principles referred to in the telegram must be maintained. However, the difference is not perhaps of first-class importance, nor do I think is the question of direct negotiations, provided that a Committee of Conciliation is agreed to. There seems to me to be little difference between a Committee of Conciliation in which all the members have equal competence, and a Committee of Conciliation assisting the two parties to come to an agreement, since, in the first case no conciliation is possible unless the two parties approve.

I said to Sugimura to-day that there seemed to me to be four points which the Japanese Government must accept if they desired conciliation:—

- (1) The ten principles laid down in chapter 9 of the Lytton Report as a basis of conciliation;
- (2) The Resolution of the 11th March, equally as a basis;
- (3) An invitation to the United States and the Soviets to take part in any small Committee which is formed for conciliation purposes;
- (4) The recognition of the facts set out in the first eight chapters of the Lytton Report as authoritative.

If the Japanese would agree to these four points, I thought that it *might* be possible that the Committee of Nineteen would meet their views on others, though of course I could not commit myself to this. At any rate, I asked him to arrange for a definite answer as regards the resolution and commentary, to be given within the next three or four days. Hymans is coming here on

¹ This letter was received in the Foreign Office not later than January 13.

² See No. 170, note 2.

the 13th January, and the Nineteen meet on the 16th January. If there is nothing from the Japanese by the 16th January, then I think that the Nineteen will have to ask Matsuoka to come before them and explain his point of view. Otherwise, we have nothing official to go on.

Unhappily, there may be considerable difficulties too on the Chinese side, as you will see from the official comments of the Chinese Government on the resolution and commentary,³ and from a conversation which I had with Dr. Yen, of which I enclose a copy. Altogether, I fear that things do not look very hopeful.

Yours ever,
ERIC DRUMMOND

ENCLOSURE IN NO. 191

Record by Sir E. Drummond of an Interview with Dr. Yen

January 7, 1933

Dr. Yen came to see me this morning, and enquired of me what was the present position with regard to the dispute.

I said to him that we had received, as he knew, the Chinese proposals for amending the Draft Resolution and Commentary, but that I had not thought it necessary to discuss this with him until the attitude of the Japanese Government on the documents was clear. At present the Japanese Government were very far from accepting the basis of conciliation set out in the two documents, and if they decided not to do so, then I thought that the Committee of Nineteen would be bound to inform the Assembly that in their view conciliation had failed, and ask for a further mandate to proceed to the drafting of the report mentioned in paragraph 4 of Article 15. On the other hand, the Japanese Government seemed to attach considerable importance to a matter, which in my view was more or less formal. They might be prepared, as I understood it, to accept the Conciliation Committee, and that this Conciliation Committee should take part in negotiations which should be held direct between the Japanese and Chinese representatives. I personally saw little difference in this procedure and that of a Committee where all the members had an equal status, as after all any final settlement by conciliation could only take place with the approval of the two parties. I asked Dr. Yen whether, supposing the Japanese Government were ready to accept the principles laid down in paragraph 9 of the Lytton Report as a basis of conciliation, his Government would object to the point on direct negotiations.

Dr. Yen very carefully did not give me any definite reply, although I pressed him on the point. He said, however, that he did not think that there was any prospect of conciliation unless the Japanese Government were prepared to declare that they did not regard the maintenance of the Manchukuo state as a *sine qua non*.

I remarked that surely here he was asking for too much. In my view, all the ten principles of chapter 9 of the Report should be given equal weight.

³ Printed in *L.N.O.J.*, S.S. No. 112, pp. 77-79.

The Japanese objected strongly to certain of them, and it would not be fair of the Chinese Government to single out one, and say that unless this was assured that [? they] could not take part in the procedure for conciliation.

Dr. Yen, however, evaded any direct answer, and said that of course he would have to know the final reply of the Japanese Government as regards the resolution and commentary before he could express any opinion.

E. D.

No. 192

Sir J. Simon to Mr. Ingram (Peking)

No. 10 Telegraphic [F 177/176/10]

FOREIGN OFFICE, *January 10, 1933, 12.30 p.m.*

Your telegram[s] Nos. 18¹ and 19² (of January 6th: Protection of British bondholders' interests in Peking-Mukden railway).

It would I feel show a lack of proportion to make specific representations to Chinese or Japanese for preservation of railway in the interests of the bondholders and to do so would tend for that reason to lessen any influence we may be able to use in the direction of peace. A general reminder of the British interests which may suffer and of the necessity we might be under of claiming compensation for damages is however desirable.³

Please repeat to Tokyo.

¹ No. 176.

² See *ibid.*, note 2.

³ Foreign Office telegram No. 5 of 12.30 p.m. on January 10 to Tokyo referred to this telegram and instructed Sir F. Lindley to speak to the Minister for Foreign Affairs 'on lines indicated in last sentence'.

No. 193

Sir J. Simon to Mr. Ingram (Peking)

No. 11 Telegraphic [F 194/18/10]

FOREIGN OFFICE, *January 10, 1933, 7.15 p.m.*

Your telegram No. 26¹ (of January 7th. Mediation in Shanhaikuan affair).

In view of possibility of a local agreement being reached as easily or more easily without outside intervention and of difficulties involved if this is not the case I have thought it best to inform French, Italian and United States representatives in London that His Majesty's Government do not favour immediate action;² Committee of Nineteen meet on January 16th and question of mediation could if necessary be considered by them.

Repeated to Tokyo No. 6.

¹ No. 180.

² A memorandum to this effect (F 403/18/10) was handed to the United States and Italian Counsellors as an informal document on January 10 and, on the same day, Sir V. Wellesley spoke to M. de Fleuriau; cf. No. 187, note 3.

No. 194

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 10, 3 p.m.)

No. 14 Telegraphic [F 255/18/10]

Confidential

TOKYO, January 10, 1933, 7.30 p.m.

My telegram No. 12.¹

Officer from general staff called of his own accord on the Military Attaché today and informed him that it had been decided to attempt to treat Shan-haikuan incident as between Japanese garrison in North China and Chinese separately from Jehol Kwangtung army. Best way to settle it was therefore between General Officer Commanding Japanese troops at Tientsin and the Young Marshal. No attempt had yet been made to get into touch with the latter and it was doubtful whether he would negotiate.

Japanese officer then mentioned attempt made at Chinwangtao by British Navy to arrange matter and Military Attaché gathered distinct impression that Japanese General Staff would welcome our help in bringing parties together though they would probably not desire our participation in negotiations. If the matter is not thought by Mr. Ingram too delicate to touch at all it might be possible for Military Attaché Peking to tell Japanese Military Attaché of information contained in first paragraph as having come confidentially from this Embassy and to ask whether progress had been made. This commits us² to nothing and might elicit useful information on the subject which legitimately concerns us. But much turns on relations between the two military attachés and other things which Mr. Ingram alone can judge.

Repeated to Peking.

¹ Of January 9, not printed. This telegram referred to No. 183 and reported that H.M. Military Attaché had been informed that morning that the 'Japanese were most anxious to avoid extension of trouble inside the Wall since they realised its dangers'. Cf. No. 351 below, § 3.

² The insertion of this word was suggested on the filed copy.

No. 195

Mr. Ingram (Peking) to Sir J. Simon (Received January 11, 9.30 a.m.)

No. 39 Telegraphic: by wireless [F 268/18/10]

PEKING, January 10, 1933

My telegram No. 26.¹

United States Minister informs me that State Department regards efforts at conciliation as unlikely to succeed unless initial move in that direction comes from Japanese and Chinese.² In view however of the fact that British interests along the railway line and at Tientsin are preponderant and in view of the fact that you took the lead in championing at Geneva the principle

¹ No. 180.

² Cf. *F.R.U.S.* 1933, vol. iii, p. 30.

and the possibility of conciliation, United States Government, while ready to co-operate in any effort at conciliation which may give even the slightest possibility of success, is of opinion that the onus of leadership in exploring possibilities, in so far as action may be taken by the Powers other than Japan and China, should devolve upon British. Department awaits such approach, if any, as may be made to United States Government by British Government. In informing me of this attitude United States Minister is instructed to add that he should co-operate in discussing [discussion]³ and that United States Government stands ready to consider sympathetically any definite proposal from British Government for action of a character in which that government may place confidence and for the initiation of which it or the League of Nations may be willing to assume responsibility.⁴

Repeated to Tokyo, Commander-in-Chief, General Officer Commanding, Mission, copy to Tientsin.

³ Wording in U.S. Minister's instructions as printed *ibid*.

⁴ In telegram No. 15 of January 11 to the Foreign Office (received 9.30 a.m. on that day) Sir F. Lindley said that as far as Japan was concerned 'chances of success will be better if America keeps out'.

No. 196

Mr. Ingram (Peking) to Sir J. Simon (Received January 10)¹

No. 42 Telegraphic: by wireless [F 266/18/10]

PEKING, January 10, 1933

My telegram No. 22² to Commander in Chief.

Chang Hsueh-liang has sent Donald to see me to enquire what were the facts as to initiative taken by Senior Naval Officer at Chinwangtao. I told Donald all I knew. Chang Hsueh-liang who maintains that General Ho has reported nothing to him on the subject fears that the hot heads will use report of these conversations to argue that he is again trying to adopt defeatist attitude, this time with help of Great Britain. His position is very precarious and his enemies would use any lever to try and discredit him.

I understand from my United States colleague that his Consul at Tientsin telegraphed rumours of negotiations circulating there on January 7th direct to State Department who relayed the news to the press. Local correspondents in Peking hearing the news from the United States enquired at the Legation on January 8th and were told in general terms what had occurred and that no meeting between rival parties had taken place.

Repeated to Tokyo, Mission, Commander in Chief and General Officer Commanding.

¹ The time of receipt is not recorded.

² No. 182.

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 13)

No. 22 [F 997/226/10]

TOKYO, January 10, 1933

Sir,

With reference to my telegram No. 421¹ of December 26th last and previous correspondence relative to the Shanghai claims, I have the honour to transmit to you herewith copy of the Note dated to-day which I addressed to the Japanese Minister for Foreign Affairs enclosing seventy-one claims in respect of loss or damage suffered by British subjects in and around Shanghai in the course of the Sino-Japanese hostilities which took place at that port in the early part of 1932.

2. This Note and the enclosures contained therein were delivered personally by the Japanese Secretary to this Embassy at the Ministry for Foreign Affairs.²

I have, &c.,
F. O. LINDLEY

ENCLOSURE* IN No. 197
Sir F. Lindley to Count Uchida

TOKYO, January 10, 1933

Your Excellency,

I have the honour, under instructions from His Majesty's Government, to transmit herewith, for presentation to the Imperial Japanese Government, seventy-one claims in respect of loss or damage suffered by British subjects in and around Shanghai in the course of the Sino-Japanese hostilities which took place at that port in the early part of 1932.³ Notes of these claims were forwarded by His Majesty's consul-general at Shanghai to the Imperial Japanese consul-general as the facts became available, in order that the latter might be able to investigate them if he so desired.

2. Your Excellency will note that the claims are of two kinds: (1) claims for losses by looting and (2) claims for losses otherwise than by looting. In some of these cases it is clear from the evidence that the liability of the Japanese alone is involved, while in other cases it is impossible to distinguish between the liability of the Chinese and Japanese authorities. In the latter class of cases His Majesty's Government are obliged to hold both parties responsible, but I am to inform you that in those cases identical claims are being presented to the Chinese Government.

¹ No. 158.

² A similar note of January 10, from Sir M. Lampson to the Chinese Minister for Foreign Affairs, giving particulars of twenty-two claims in respect of loss or damage suffered by British subjects in the course of the Sino-Japanese hostilities in and around Shanghai, was enclosed in Peking despatch No. 116 of January 26 (received March 15).

³ These enclosures are not preserved in Foreign Office archives.

3. I have the honour to request your Excellency to be so good as to arrange that early steps be taken to examine and liquidate the claims in question.

I avail, &c.,

F. O. LINDLEY

No. 198

Mr. Ingram (Peking) to Sir J. Simon (Received January 11, 5 p.m.)

No. 43 Telegraphic: by wireless [F 292/18/10]

PEKING, January 11, 1933

My telegram No. 33¹ and Nanking telegram No. 4.²

Similar representations have been received by my United States and French colleagues but not yet by any others.

United States Minister tells me in handing this memorandum to his representative at Nanking Vice Minister for Foreign Affairs said that the Chinese government desired to make suggestion informally to signatories of 1901 that some sort of representations be made to the Japanese government to dissuade latter from abusing privileges it might seek to obtain under Boxer Protocol.

I am enquiring of Consul at Nanking if anything similar was said to him and also instructing him to ascertain to which other legations memorandum has been addressed.³

Repeated to Tokyo, General Officer Commanding, Commander-in-Chief and Mission, copy to Tientsin.

¹ See No. 187, note 3.

² This telegram of January 10 (repeated to the Foreign Office in Peking telegram No. 45, received at 5.30 p.m. on January 12) gave particulars of a memorandum from the Chinese Government, addressed to H.M. Government, alleging that in attacking Shanhaikuan the Japanese were taking unlawful advantage of their special privileges under the Boxer Protocol of 1901. The text of the memorandum was received in the Foreign Office on February 24 as enclosure in Peking despatch No. 68 of January 17. It was the same *mutatis mutandis* as that printed in *F.R.U.S.* 1933, vol. iii, p. 44.

³ Nanking telegram No. 6 of January 12 to Peking (repeated to the Foreign Office in an unnumbered Peking telegram of January 13, received at 3.30 p.m. that day) said that the memorandum had also been addressed to the American, French, Italian, Spanish, Belgian, and Netherland Legations.

Mr. Ingram (Peking) to Sir W. Peel¹ (Hong Kong)

No. 12² Telegraphic [F 291/290/10]

PEKING, *January 11, 1933*

Following for His Majesty's Minister:—

(1) His Majesty's Consul General Tientsin has received communication dated January 7th from Kailan Mining Administration and representatives of British firms at Tientsin requesting that in the event of spread of present Sino-Japanese military operations the mines at Tongshan and British property outside British concession at Tientsin and in Tangku area may be protected by British troops.

(2) According to Consul General British properties involved are situated (A) east side of river opposite British concession (B) On east side some distance below concession viz. Asiatic Petroleum Company's installation⁴ and International Export Company's factory (C) at Tangku and Taku (D) Tongshan (E) Chinwangtao.

(3) Under defence scheme French troops are responsible for (A), officer commanding troops Tientsin where primary duty is defence of concessions has sufficient troops for this purpose. Only if circumstances involved in that duty permitted would he be able to spare a small detachment for east bank if French troops did not or could not afford adequate protection.

(4) Consul General points out that if the scene of hostilities shifts to areas (B) and (C) it might be possible for the two sloops now at Chinwangtao to move to Tangku and for any up river to Tientsin which can now be reached by vessels drawing 13½ feet. With their aid the Consul General thinks officer commanding troops Tientsin would be able to afford adequate protection eventually in all three zones (A) (B) and (C). On this point views of Commander-in-Chief and General Officer Commanding will be necessary.

(5) In the case of (E) presence of His Majesty's Ship appears sufficient. As regards (D) I feel considerations set out in Foreign Office telegram No. 133 May 24th, 1928 (gist of which is contained in my immediately following telegram)⁵ still holds good in the present case and that it is highly inadvisable from every point of view to detach troops from Tientsin even if available or send force from elsewhere for the protection of Kailan Mining Administration. I consider Kailan Mining Administration should be so informed and advised to arrange evacuation of all their British employees at first sign of danger.

¹ Governor of Hong Kong.

² Repeated by wireless as No. 44 to the Foreign Office (received at 5 p.m. on January 11).

³ i.e. Sir M. Lampson who arrived at Hong Kong on January 12 on his way back from leave.

⁴ A marginal note by Mr. Broad here read: 'A.P.C. installation should be under heading "A" (see Peking telegram in F 473) P.B. 20/1.' The telegram under reference, No. 64 of January 18, is not preserved in Foreign Office archives but, according to the docket, it sent a correction to paragraph 2 of Peking telegram No. 12 to Hong Kong.

⁵ Not printed.

(6) I would suggest authorising Consul General to reply to Kailan Mining Administration on above lines and to inform British firms at Tientsin that their letter is being brought to the attention of the General Officer Commanding and Commander-in-Chief and that His Majesty's forces will give such protection as circumstances render possible.

(7) As you will probably desire to consult His Majesty's Government I have ventured to repeat this telegram to the Foreign Office.

Repeated to Commander-in-Chief, General Officer Commanding, Mission and Foreign Office.

No. 200

Sir J. Simon to Mr. Ingram (Peking)

No. 40 [F 8814/561/10]

FOREIGN OFFICE, *January 11, 1933*

Sir,

I have received your despatch No. 1404¹ (5/23.F/1932) of November 2nd regarding the resolution passed by the British Chamber of Commerce, Harbin, on the subject of the inadequacy of police protection at Harbin.

2. You will have seen from Sir F. Lindley's despatch No. 617² (987/37/32), of November 19th, sent to you under No. 136, that the Chamber's resolution was brought to the notice of the Japanese Ministry for Foreign Affairs, where it was suggested that the Chamber should communicate it direct to General Muto. This suggestion has, no doubt, since been conveyed to the Chamber by His Majesty's Consul-General at Harbin, and it is possible that the Chamber will now rest content with the attention and publicity which their resolution has received, and will not wish to press it any further. Should they, however, make further representations on the subject, you should reply that, while in present circumstances it is not possible to envisage the despatch of an international police force to Harbin to guarantee the security of foreigners in the town, His Majesty's Ambassador at Tokyo has repeatedly, since the murder of Mrs. Woodruff,³ impressed upon the Japanese Government the imperative necessity of strengthening the Harbin police force on the lines recommended by the Consular Body, and urged them to use their influence with the Manchurian authorities for this purpose.

3. I am sending a copy of this despatch to His Majesty's Ambassador at Tokyo.

I am, &c.,

(for the Secretary of State)

V. A. MALLET

¹ Not printed (received December 22, 1932).

² Not printed (received December 29, 1932).

³ Cf. No. 1.

Mr. Ingram (Peking) to Sir J. Simon (Received January 12, 3 p.m.)

No. 48 Telegraphic: by wireless [F 312/18/10]

Immediate

PEKING, January 12, 1933

Tokyo telegram No. 14.¹

I consider that for us *alone* to take any further steps at present towards bringing both sides together either at Chingwangtao or elsewhere would be dangerous and liable to serious misinterpretation by the Chinese. The whole business has now become complicated by internal politics and since last session at Geneva Chinese are on the look out to exploit any opportunity for allegations that (however unfounded in fact) we are working in the interest of Japan.

2. Minister for Foreign Affairs has just sent me message through Donald that the fact that move of Senior Naval Officer, Chingwangtao was made without knowledge of Nanking is being locally interpreted as proof of secret understanding between Japan and Great Britain who it is contested must have been privy to the whole Shanhaikuan episode and was merely seeking by this intervention to help Japan to consolidate her gain.

3. Such ideas however fanciful where spread gained ready credence in this country. I therefore asked Donald to assure Minister for Foreign Affairs that action of Senior Naval Officer at Chingwangtao in serving as channel of communication was solely prompted by Commander-in-Chief's desire to improve the atmosphere and facilitate meeting between local Chinese and Japanese commanders.² I emphasised to him the fact that any idea of secret understanding between His Majesty's Government and Japan was absurd and added that I hoped to . . .³ Minister for Foreign Affairs on January 15th on my arrival at Nanking when I would try to remove these misunderstandings.

Repeated to Tokyo, Mission, Commander-in-Chief, Hongkong for His Majesty's Minister.

As before and for General Officer Commanding as telegram No. 49.

¹ No. 194.

² The copy of a message of January 11 to the Admiralty from the C.-in-C. China, received in the Foreign Office on January 12, contained a report (1417/11) from the Senior Naval Officer at Chinwangtao. It stated that he had arranged a meeting on the morning of January 11 between General Ho's representative and the commander of the Japanese troops. His impression was that the negotiations, which were conducted in the Japanese language, might lead to further negotiations 'between Ho's representative and higher Japanese authorities'. On January 12 he reported that he was trying to arrange a further conference. Admiral Kelly replied: 'Be willing but not active.'

³ The text is here uncertain.

Memorandum by Sir J. Pratt

[F 392/33/10]

FOREIGN OFFICE, January 12, 1933

Sino-Japanese dispute: League policy and possible demand for the expulsion of Japan

When the Committee of Nineteen meets in Geneva on January 16 it will have to make recommendations as to the action to be taken by the Assembly under paragraph 4 of Article XV of the Covenant. That paragraph calls for 'a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard thereto'. The League Secretariat is at present engaged in preparing the draft of this Report: this draft will probably consist mainly of a summary of the Lytton Report. It hardly seems desirable, however, that the Assembly should make a new *ad hoc* report. Such a Report would give rise to much discussion and criticism and it would be subjected by partisans on either side to meticulous comparison with the Lytton Report with a view to discovering unfair omissions or additions. The better plan would seem to be to adopt the Lytton Report especially as this is what the general public expects and desires the League to do. We might therefore endeavour to persuade the Committee of Nineteen to abandon the idea of drafting a separate Report but to draft instead a Resolution adopting the Lytton Report and recommending that any settlement of the dispute should follow the lines suggested in that Report. The Resolution would have to recount briefly the proceedings since the receipt of the Lytton Report and explain how the effort to effect conciliation failed. This would probably be the appropriate place to bring in whatever the Assembly might wish to say about the State of Manchukuo and the question of recognition. The Resolution would also pass judgment on China for anti-foreignism and the boycott and on Japan for breach of the Covenant and other obligations. It is over this part of the Resolution that the greatest difficulty and the main problem will arise.

One section of the League, e.g. New Zealand, Australia, Poland, may wish to avoid saying anything at all that might offend Japan while another section, e.g. the Scandinavian Powers, may wish to go to the extreme length of expelling Japan from the League. To expel Japan would seem to be a most unwise proceeding. Japan is a virile nation of some seventy million people endowed with remarkable energy and vitality. Even if her Manchurian adventure turns out a failure—as most authorities expect—she will not by any means be ruined thereby. She will still remain a first class Power and the dominant factor in the Far East. A perpetual quarrel between Japan and China, with all the misery that it would entail upon vast populations, is something that we cannot contemplate. We must rather look forward to the time when, the Manchurian venture having failed, a settlement between Japan and China that is impossible to-day may become possible. It would be fatal to take any step to-day that, besides exacerbating the present situation,

would make it impossible for Europe to facilitate or participate in a settlement at some future date. If Japan were expelled from the League the feeling of insult and humiliation would last for generations; and though at the time some enthusiasts might applaud such a decision it would not be long before the League would suffer a decline in public esteem for the petulant action she had taken.¹ If Japan retires from the League dignity will be preserved on both sides and the possibility of her return in the not too distant future—or at any rate of her friendly co-operation—will not have been destroyed.

We shall only be able effectively to head off a demand for the expulsion of Japan by showing that we are prepared to join in a dignified but quite unequivocal condemnation of her actions. We shall run, of course, a risk of antagonising Japan, but antagonising Japan in this way and to this extent, namely, by vindicating the sanctity of international obligations, would probably not result in any very great damage to our material interests, whereas if we do not go at least thus far our moral prestige which is the real basis of our position in China would be destroyed and the eventual damage to our material interests would be far greater. Moreover unless we take the bold and simple course of condemning Japan we shall run the far graver risks of weakening the League and alienating America. Finally there is the danger that, with some wanting to placate Japan and some wanting to expel her, the meeting of the Assembly may end in something very like stalemate. This would seem to be an additional reason why we should take the middle course on which all may eventually be persuaded to unite.²

J. T. PRATT

¹ In minutes on this memorandum Mr. Orde agreed (January 12) as to the undesirability of Japan's expulsion from the League. Mr. Cadogan on January 13 questioned Sir J. Pratt's assumption that as a result of Japan's expulsion 'the League would suffer a decline in public esteem'; he thought that 'a decline in public esteem might rather result from a humiliating passivity'.

² Mr. Orde noted (January 16) that this paper was discussed by the Secretary of State at a meeting, apparently on January 13, at which Mr. Eden, Sir R. Vansittart, Sir V. Wellesley, and others were present.

No. 203

Mr. Patteson (Geneva) to Sir J. Simon (Received January 15, 9 a.m.)

No. 2 Telegraphic [F 356/33/10]

Immediate

GENEVA, January 14, 1933, 9.45 p.m.

Following for Secretary of State for Foreign Affairs from Sir E. Drummond.

Personal

Japanese Ambassador has informed delegation here that from conversation with you¹ he understood you doubted whether invitation to United

¹ Cf. No. 204 below.

States government and Soviet to take part in conciliation was of cardinal importance to secure agreement under paragraph 3 of Article 15.

There is some chance that Japanese may put forward revised texts of resolutions and statement of motives which might perhaps be accepted by committee of nineteen but I am convinced that acceptance is impossible unless Japanese agree that United States² shall be members of conciliation committee.

It would be most helpful if you saw your way to convey to Japanese Ambassador importance attached to presence of United States. As to Soviet I think they need only be invited for questions of special interest to them.

² A marginal note reads: '? omitted and Russia'.

No. 204

Sir J. Simon to Sir F. Lindley (Tokyo)

No. 8 Telegraphic [F 361/33/10]

FOREIGN OFFICE, *January 14, 1933, 10 p.m.*

The Japanese Ambassador called yesterday to enquire as to our attitude when the Sino-Japanese discussions are resumed at Geneva next week. He said that the Japanese government objected to the suggestion that the United States and Soviet Russia might each supply a member of the proposed Conciliation Committee; which they considered should include only members of the League. In particular Japan objected to inclusion of a Russian member in view of the recent developments between Moscow and Nanking.¹ I said that I did not think that the inclusion of these representatives should be regarded as a *sine qua non*, but I wished to know whether the position with Japan was that she would accept in principle the setting up of a Committee of Conciliation, while urging that it should be composed solely of League members. Mr. Matsudaira replied that Japan had other objections, and he gave me a document² which set out the paragraphs of the proposed resolution and the very substantial alterations which Japan asked. The most important of these involved a modification by which the Committee, instead of carrying through the task of conciliation, should leave Japan and China to negotiate directly between themselves. I said that it seemed to me impossible to lay down in advance exactly how conciliation would be carried out, and that in my view the all-important thing was that Japan should declare herself sincerely willing to accept and co-operate in a scheme of such conciliation.

I took the opportunity of repeating to Mr. Matsudaira what I had already said at Geneva (see my telegram No. 37³ of December 8th) that in the event

¹ A reference presumably to the resumption of normal diplomatic relations between the U.S.S.R. and China; cf. No. 123.

² Not printed.

³ Presumably the repetition to Tokyo of No. 91.

of conciliation failing, we should have no choice but to take up at Geneva the attitude incumbent upon a loyal member of the League, and I repeated to him the representations which at my request you recently made to Count Uchida, (your telegram No. 24 of January 4th).

On the detailed criticism made by Japan of the proposed resolution, I pointed out that M. Hymans and Sir Eric Drummond were now in communication with the parties and I could not say more in advance of learning the result of their efforts when I reached Geneva on Monday.⁵

Repeated to Peking No. 18.

⁴ No. 170.

⁵ January 16.

No. 205

Sir M. Lampson (Hong Kong) to Sir J. Simon
(Received January 14, 5.40 p.m.)

No. 4 Tour. Telegraphic: by wireless [F 360/290/10]

HONG KONG, January 14, 1933

Peking telegram No. 12¹ to Hongkong.

I feel sure you will not wish to risk involving British troops in any Sino-Japanese clash at Tongshan or elsewhere. Last time they were sent conditions were quite different.

If above assumption is correct I suggest Consul General at Tientsin should inform Kailan Mining Administration and should exercise his normal discretion as to whether advice to withdraw employees is necessary or desirable at any given moment.

Repeated to Peking, Nanking, Commander-in-Chief and General Officer Commanding.

¹ No. 199.

No. 206

Letter from Sir J. Simon to the U.S. Ambassador
[F 429/33/10]

FOREIGN OFFICE, January 14, 1933

My dear Ambassador,

When you communicated to me yesterday the message from Mr. Stimson, I promised to send you a note by way of reply before leaving for Geneva tomorrow morning.¹

¹ For Mr. Mellon's report of this conversation on January 13, during which he gave Sir J. Simon a copy of the memorandum printed as annex to this document, see *F.R.U.S.* 1933, vol. iii, pp. 64-65.

As regards the Manchurian situation, my information is that the effort which the League has been making to find a basis for conciliation is likely to fail. I do not at all regret that the effort has been made, for not only does Article XV of the Covenant call for this as the first step, but the fact that it has been made gives all the more authority to any declaration which the League may make hereafter. Monsieur Hymans as president and Sir Eric Drummond are, I believe, still discussing the possibilities of a basis of settlement between the parties, and I shall hear more about this when I reach Geneva on Monday,² but for my part, I regretfully agree with Mr. Stimson that the effort must probably be regarded as having led to no agreement. Consequently, we pass to the next stage.

I strongly hold that the next step should be taken without delay. To allow unnecessary time to elapse will do harm all round. And the next step, to my mind, is quite clearly marked out by the circumstances. Of course, it is a step to be taken by the League and I do not wish to anticipate by individual pronouncement what the League will do. But this country will undoubtedly act in the matter as a loyal member of the League and, as I told you in our conversation yesterday, I think that the League has no other course before it but to adopt the Lytton Report. I have already, in my speech at Geneva, called attention to the unique authority of that document. It is not only unanimous but is the work of the chosen representatives of five countries. These five distinguished men have been over the ground and have reached their conclusions as the result of acquiring a wealth of information which is unrivalled, and after hearing what the parties had to say. And when I say that in my view the League should adopt the Lytton Report, I mean that they should not only declare that they accept Chapters 1-8, but that they should recommend a mode of settlement on the lines indicated in Chapters 9 and 10.

I am very glad indeed to find that this is strictly along the lines which Mr. Stimson himself approves. Indeed, I do not see any point in which we are in difference. The form in which these and subsequent matters are expressed is, of course, a question which the Secretariat and Members of the League will have to discuss and decide, but the principle of the matter is that what I have indicated should be done, and should be done quickly, as the next step.

I note with much interest Mr. Stimson's statement that so far as United States policy is concerned 'there is no reason to anticipate a change hereafter' and I recall that Mr. Atherton explained to me yesterday that I might understand this as implying that Mr. Roosevelt³ was associated with the view expressed. The same thing is true on this side. We have no intention of departing from the course already indicated by our past declarations or by what I have said above.

As regards recent events at Shanhaikwan, Mr. Stimson will be aware of

² January 16.

³ Mr. Franklin D. Roosevelt, Governor of New York, was president-elect of the United States.

our view that an offer of mediation by the Powers for the purpose of localising it is not immediately desirable. Our Ambassador in Tokio believes that mediation would hinder rather than facilitate the attainment of that object, and there seems in fact a considerable likelihood of the affair being localised by agreement between the two parties. If agreement is not easily reached, it will be on account of major questions—the control of Jehol and the northward movement of Chinese troops—with which it would be difficult for us to deal as mediators apart from the League as a whole. If necessary, the question of mediation will no doubt be considered by the Assembly or its Committee. The local action of British officers at Chinwangtao, to which Mr. Stimson refers, consisted in an offer to facilitate a meeting of the Chinese and Japanese Commanders by providing neutral ground for the purpose in a British sloop now at that port.⁴ The offer was made locally, without instructions from His Majesty's Government, and is not intended to involve active mediation.

As regards Jehol, the position is that the province was covered by the original proclamation of the Manchukuo State,⁵ to which the Governor of the province was a party, though his allegiance has since been doubtful. It seems certain that the Japanese intend at their own moment, which may not be just yet, to see to its incorporation in Manchukuo, but I hesitate to say whether action to this end will be regarded by the League as more than part and parcel of their action in converting Manchuria into a new State. The invasion of China south of the Great Wall would evidently be on a different footing, but there seems no real reason at present to suppose that the Japanese contemplate such a step: their action at Shanhaikwan and Chiu-men seems rather designed to shut out from Jehol the Chinese forces recently sent north. I find it difficult to discuss in advance the question of the steps which the League should take if and when the Japanese advance into Jehol or south of the Wall.

In conclusion, I wish to express my gratitude to Mr. Stimson for informing me of his views and attitude in these matters. I have done my best to give him my own in what precedes, and shall be only too ready to keep in touch with him as events develop.

Yours very sincerely,
JOHN SIMON⁶

ANNEX TO No. 206

EMBASSY OF THE UNITED STATES OF AMERICA, LONDON, *January 13, 1933*
*Outline from memory of a telephone conversation between the United States Secretary of State and Mr. Atherton, American Embassy, January 13, 2.30 p.m., 1933.*⁷

I called you up to ask you to have a talk with Sir John Simon. I suggest that in your conference you refer to Sir John Simon's exchange of letters

⁴ Cf. No. 201, note 2.

⁵ Cf. Volume X, No. 66, note 3.

⁶ This letter is printed in *F.R.U.S.* 1933, vol. iii, pp. 88–90.

⁷ *Note in the filed copy:* 'Copy left with Sir John Simon for his personal and strictly confidential information.' Cf. *F.R.U.S.* 1933, vol. iii, pp. 54–57.

with Mr. Norman Davis⁸ and your conversation with Sir Robert Vansittart at the end of December,⁹ a memorandum of which you sent to me. I should be grateful if you would make the following points perfectly clear to Sir John:

1. In regard to the meeting of the League Committee of Nineteen. In the first place the United States views are entirely unchanged. I say this because there are apparently organized attempts to make it appear that because of our silence we have changed. That is not so at all. We have not thought it necessary to keep repeating ourselves, because we have made our position so clear since the beginning. It is based upon our note of January 7 of last year,¹⁰ the Borah letter,¹¹ my speech in August,¹² and the Lytton Report. Each of those seems to be a substantiation of the position we have taken.

2. There is no reason to anticipate a change hereafter. I am not saying it publicly now, but I am telling you for your information. I am authorized to tell you that, and you may let the people interested there know *very confidentially*. This policy is one in which we are entirely in accord.

3. Make it clear to Sir John that I appreciate what he has set forth in his letter to Davis as to effecting a settlement by conciliation, but I think by now he probably agrees with me that that effort has failed, and that the time has come to discuss the other phases of the situation. I can see no other change of policy which he might make. My own position is unchanged. I should be very glad of course to have Sir John inform me of any change he may make in his position, but in the meantime I want him to understand that the statement Davis made in his letter of December 15[14] to Sir John has my full approval. That is my own feeling in the matter and I should like you to explain this to him so that he may know about it. He will remember my expressing approval of the League's action over a year ago regarding Manchuria¹³ and, at the request of the League, I helped to select the United States member of the Lytton Commission. The findings of this Commission were unanimous, and I deem them of the utmost importance in this matter. I personally regard them as a lawyer regards the findings of a barrister, and I assume the League views them the same way. It is the action of a Court to approve findings. They have referred these findings of the Lytton Commission, which has made a unanimous report, to the League as a Court. The logical and normal course to follow is the application of the judgment of non-recognition. I view this matter from the point of view of a lawyer, which I feel must also influence Sir John in his opinion. I should like to know his

⁸ See Nos. 118 and 125.

⁹ No record of this conversation has been traced in Foreign Office archives.

¹⁰ Printed in *F.R.U.S. Japan 1931-1941*, vol. i, pp. 76-77; cf. Volume IX, No. 61.

¹¹ This letter of February 23, 1932, from Mr. Stimson to Senator Borah is printed in *F.R.U.S. op. cit.*, pp. 83-87; cf. Volume IX, No. 560, note 14.

¹² The reference is to Mr. Stimson's speech before the Council on Foreign Relations at New York on August 8, 1932; cf. Volume X, No. 619.

¹³ A reference presumably to the U.S. Government's note of January 7, 1932; cf. note 10 above.

views in regard to this situation of the Committee of Nineteen. I might add by way of parenthesis that I have not been so disturbed myself by the various threats that have been floating around to the effect that Japan was in a very hysterical position, and that anything might happen, because I remember that a policy of that sort has been the diplomatic policy of Japan for years. It seems to be an effective one, and I appraise the present situation as an attempt to repeat that diplomatic policy.

Now comes the second point; namely, the question of Shanhaikuan and Jehol. On this I should be very glad to be kept in touch with Sir John and his views. I have not taken any action, mainly because I felt that our policy has been made so perfectly clear, but I repeat that I am ready to confer on that subject with Sir John and I should be very glad to have an expression of his views.

Mr. Stimson then asked when Sir John planned to go to Geneva. Mr. Atherton replied he understood not until some time next week. Mr. Atherton then stated that in his most recent consultation with the Foreign Office they had no incident to report from Tokyo beyond the fact that Sir Francis Lindley had visited the Foreign Office and indicated that British property was situate in and about Shanhaikuan. Mr. Stimson asked whether the Foreign Office had any information as to attempts at mediation made by British officers, in a desire to localize the Shanhaikuan situation. Mr. Atherton said only in so far as what had appeared in the press.

No. 207

Note communicated by the French Ambassador (Received January 14)

[F 501/18/10]

AMBASSADE DE FRANCE À LONDRES, le 14 janvier 1933

Le Gouvernement français, comme les autres Gouvernements bénéficiaires du Protocole dit des Boxers de 1901 et des notes de juillet 1902, a reçu une note du Gouvernement chinois protestant contre l'abus par les troupes japonaises des droits accordés en 1901 et 1902 aux troupes internationales sur la voie ferrée Pékin-Chanhaikwan.¹

Il faut bien reconnaître que, si les arrangements de 1901 et 1902 ont confié la garde de ce chemin de fer aux troupes internationales et si il a été interdit aux troupes chinoises de stationner à moins de deux milles de ce chemin de fer, c'était afin d'assurer la liberté de communication entre Pékin et la mer, et afin d'éviter des contacts entre les troupes chinoises et les troupes étrangères.

M. Paul Boncour désirerait savoir si, dans ces conditions, le Gouvernement britannique ne considérerait pas comme fort utile pour assurer la sauvegarde du régime établi en 1901 et 1902, de faire marquer amicalement, par les Puissances signataires de ces accords, au Gouvernement Japonais,

¹ Cf. No. 198, note 2.

leur souci de voir respecter un statut auquel elles sont directement intéressées, indépendamment de toute considération du présent conflit.

M. de Fleuriau est en même temps chargé de demander à Sir John Simon quelle suite le Gouvernement britannique penserait donner au projet étudié en Septembre dernier par les Ministres en Chine de la neutralisation de la ville et du quartier diplomatique de Pékin dans le cas d'opérations militaires japonaises dans la direction de Pékin.²

² Cf. Volume X, Nos. 704 and 721. For the corresponding note of January 13 from the French Government to the U.S. Government, see *F.R.U.S.* 1933, vol. iii, p. 58.

No. 208

Lord Tyrrell (Paris) to Mr. Patteson (Geneva)

No. 1 Saving:¹ Telegraphic [F 385/33/10]

PARIS, January 15, 1933

Following from Secretary of State for Sir E. Drummond:—

Japanese Ambassador pressed me for opinion as to whether inclusion of United States and Union of Socialist Soviet Republics in conciliation committee was an essential condition.²

2. I told His Excellency that as you and Monsieur Hymans were conducting negotiations with the parties I was not in a position to speak authoritatively but I enquired whether Japan was willing to agree to a conciliation committee on the lines proposed if composed exclusively of League Members and added that if all other points were satisfactorily settled it might be that League would be unwilling to see negotiations break down on this point alone. But I declined to express a firm opinion and insisted that the agreement of China would be necessary. I will speak to Japanese Ambassador on reaching Geneva tomorrow.

Repeated to Foreign Office.

¹ Repeated as No. 4 Saving to the Foreign Office, received on January 17.

² Cf. No. 204.

No. 209

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 16, 9.30 a.m.)

No. 20 Telegraphic [F 373/33/10]

TOKYO, January 16, 1933, 11.45 a.m.

Your telegram No. 8.¹

Press bureau of Ministry of Foreign Affairs took up attitude last week with foreign press representatives that best thing now was to pass to paragraph 4, Article 15.² Nothing of this kind has ever been said to me by any official.

Repeated to Peking.

¹ No. 204.

² Of the Covenant of the League of Nations.

Mr. Ingram (Nanking) to Sir J. Simon (Received January 16, 4.30 p.m.)

No. 1 Telegraphic: by wireless [F 384/18/10]

NANKING, January 16, 1933

My telegram No. 48.¹

I called on Minister for Foreign Affairs on my arrival yesterday. He told me that the Chinese Government could not deal with the situation at Shan-haikuan as a local affair but only as part and parcel of Manchurian issue. To attempt to localize it would be tantamount to consolidating it in Japanese favour until Japanese consider moment opportune for a further incident which would bring them to Luan river. Process of localization and consolidation would continue indefinitely. It could not be isolated as Shanghai was, nor would international machinery which facilitated a successful solution at Shanghai be applicable in this instance, as there were no international interests directly involved as in the case of Settlement.

2. He added that Chinese Government still looked to the League for justice but experience was teaching them the necessity of self-help. They were consequently moving troops up to threatened area to meet all eventualities. His anxiety was that events may involve Peking and Tientsin in hostilities and he hoped vaguely that something could be done to eliminate them from the zone of hostilities but he made no concrete proposition to that end. He had however sent his representative to Peking to examine the situation and report to him as to possibilities of some form of demilitarization. He assured me that China was not contemplating severance of relations with Japan or withdrawal of her Minister at Tokyo (see Tokyo telegram No. 5 to Foreign Office).²

3. In reply to my direct question Doctor Lo assured me that no negotiations were proceeding between the two parties either at Chinwangtao, Peking or Tientsin.

Repeated to Peking, Tokyo, G.O.C., C. in C., H.M.'s Minister, Tientsin.

¹ No. 201.

² This telegram, received at 12.25 p.m. on January 5, read: 'There is no doubt Chinese government are considering recalling Chinese Minister here. Nothing seems to be decided and he may leave ostensibly for the reason of health.'

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 15)

No. 32 [F 1044/18/10]

TOKYO, *January 16, 1933*

Sir,

On receipt of your telegram No. 5¹ of the 10th instant I called on the Minister for Foreign Affairs, as reported in my telegram No. 18² of the 12th instant, and reminded His Excellency in general terms of the magnitude of British interests in North China and of the serious situation which would arise should those interests be threatened by the spread of hostilities south of the Wall. In such an event, it would be inevitable that heavy claims for damages would be presented to the Japanese Government.

2. Count Uchida replied that he was very well aware of the important British interests existing in North China and that strict orders had already been given to the Japanese authorities on the spot to show every regard to those interests and to avoid, as far as was possible, damaging them should a conflict with the Chinese unhappily arise. The Japanese were doing everything possible to avoid a spread of hostilities to China proper and such hostilities would certainly not take place unless they were forced upon the Japanese by the Chinese forces.

3. Since my despatch No. 10³ of the 5th instant was written, our impression has been strengthened that the Japanese Government, and with them the Military party, realise better than they did some months ago the danger of complicating an already difficult situation by striking at the Young Marshal through the Tientsin and Peking areas; and we have every reason to believe that, while such a development cannot be entirely ruled out, a real and genuine effort will be made to avoid it. In these circumstances it seemed to me that more harm than good was likely to be done by any intervention of the Powers, however justified or well-intentioned that intervention might be, and I felt it therefore necessary to comment in my telegram No. 11⁴ of the 8th instant on the proposals which had been discussed by the foreign representatives at Peking with this end in view. And I had the honour to point out that the most practical method of avoiding further hostilities was, as it had been at Shanghai, that the Chinese should refrain from disposing their troops in such a manner as to constitute a serious threat to the province of Jehol and to the Japanese forces. The continued massing of Chinese troops, however justifiable and patriotic it might be, seemed to show little political wisdom and little consideration for the Powers to whom the Chinese were constantly calling for assistance.

4. Since that telegram was written, the desire of the Japanese to avoid, not merely an extension of hostilities inside the Wall, but also fighting in Jehol at the present time, has become more manifest, and the whole of the

¹ Cf. No. 192, note 3.

³ No. 174.

² Not printed.

⁴ No. 183.

Second Division, parts of which were stationed at Chinchow and had occupied Shanhaikwan, have been brought home. At the same time the Chinese concentration seems to have continued and the newspapers report this morning that large forces are being sent up from Nanking to the North. The situation does not therefore look too encouraging but no fresh troops have yet been despatched from Japan; and without such reinforcements, it seems doubtful whether the Japanese will attempt any serious movement against Jehol. The position of that province, as officially part of Manchukuo and yet unoccupied by Japanese forces, remains even more anomalous than that of the other Three Eastern Provinces; and I cannot help thinking that there is a possibility, if the Japanese are not forced by the Chinese to do something in order to save their face, that Jehol might become the subject of a bargain with the Chinese. If such a bargain could be brought about, it would certainly be to the advantage of the Powers; since the occupation of Jehol, with its border close to Peking, is a far greater menace to North China than is the occupation of the other Three Eastern Provinces.

5. In any case it is clear that the Japanese are anxious to keep the Jehol and North China questions separate and it is to the advantage of everyone concerned that they should do so. Whether we can help them to attain this object is extremely doubtful and can better be judged at Peking than at Tokyo. The Military Attaché to this Embassy, as reported in my telegram No. 14⁵ of the 10th instant, gained the impression, from an interesting conversation he had with a member of the Japanese General Staff, that they were anxious for our assistance though the officer in question said nothing definite to that effect. I thought it worth while reporting this interview on the chance that it might lead to confidential conversations of a useful nature between the Japanese and British Military Attachés at Peking; but I observe from Mr. Ingram's telegram No. 48⁶ of January 12th that the matter is not likely to go any further.

I have, &c.,
F. O. LINDLEY

⁵ No. 194.

⁶ No. 201.

No. 212

Mr. Patteson (Geneva) to Sir J. Simon (Received January 17, 9.30 a.m.)
No. 1 L.N. Telegraphic [F 386/33/10]

GENEVA, January 17, 1933, 1 a.m.

Following from Mr. Cadogan.

Committee of Nineteen met today¹ and issued statement, text of which is contained in my immediately following telegram.²

Please repeat to Peking and Tokyo.

¹ This telegram was drafted on January 16.

² Not printed. The text of this communiqué is printed in *The Times*, January 17, p. 12; cf. *F.R.U.S.* 1933, vol. iii, pp. 95-97.

No. 213

*Mr. Holman (Peking) to Sir M. Lampson (on tour)*¹
No. 20² Telegraphic [F 427/18/10]

PEKING, *January 17, 1933*

Mission telegram No. 4.³

At meeting today of American, French and Italian Ministers which I attended United States Minister read out instructions from State Department to the effect that if Chinese Government pressed for reply Chinese Government might be informed orally that note was looked upon as a Chinese declaration for purposes of record requiring no reply.⁴

With regard to second paragraph of Peking telegram No. 43 to Foreign Office⁵ United States Minister stated that State Department had told Chinese legation in Washington orally that it believed circumstances of Japanese occupation of Shanhaikuan flowed from factors arising out of conflict between China and Japan and not from Provisions of Boxer protocol.⁶ United States government would give consideration to these developments as necessity arose and in the light of United States rights and obligations thereunder.

Repeated to Foreign Office, Mission, Commander-in-Chief and General-Officer-Commanding. Copy to Tientsin.

¹ According to the docket of Sir M. Lampson's telegram No. 5 Tour of January 14 from Hong Kong to the Foreign Office (telegram not preserved in Foreign Office archives) he was to leave Hong Kong on January 17 in H.M.S. *Bruce*, arriving Swatow January 18, Amoy January 20, Foochow January 22, Shanghai January 26, and could be reached anywhere by naval wireless.

² Repeated by wireless as No. 60 to the Foreign Office (received at 5 p.m. on January 17).

³ Cf. No. 198, note 2.

⁴ Cf. *F.R.U.S. 1933*, vol. iii, pp. 82-83.

⁵ No. 198.

⁶ In accordance with an unnumbered telegram of January 20 from Peking, the following words were subsequently inserted here as the beginning of the next sentence: 'If developments should involve Powers signatory of Boxer Protocol'.

No. 214

Mr. Patteson (Geneva) to Sir R. Vansittart (Received January 18, 1.15 p.m.)
No. 3 L.N. Telegraphic [F 428/33/10]

GENEVA, *January 18, 1933, 1.20 p.m.*

Following from Secretary of State.

I understand Japanese are putting forward to Committee of Nineteen a new formula as a basis for proposed Committee of Conciliation. Monsieur Matsuoka tells me that it proposes that this Committee should consist solely of League members and should thus exclude Soviet and American representatives.¹ If formula was in all other respects satisfactory it would seem difficult

¹ Cf. No. 217 below, enclosure.

for the League to make inclusion of non-League members a *sine qua non*. But I shall be surprised if new formula which I have not seen or had any part in framing is otherwise acceptable to China whose assent is also necessary if a basis of conciliation is to be established.

Accordingly I anticipate that Committee of Nineteen will be forced to conclude that a settlement by conciliation is impossible and in that case it must proceed without delay under paragraph 4 of article 15 to publish a report of facts with recommendations. I hold the view which I expressed plainly at meeting of Committee of Nineteen on January 16th that the proper course is to adopt without alteration Lytton report and the recommendations it contains in chapters 9 and 10. Our object hitherto has been to give conciliation every chance but there is no escape from duty which arises if this first objective cannot be attained and it would be impossible for the League to set aside a document of such authority which has come into existence by League action and represents unanimous view of representatives of five countries including America. Japan cannot expect us to do less.

I should be opposed to attempting to improve on report which is far from being a one-sided document. Chinese Minister in London told me today that China quite recognises that neither United States nor members of the League can enforce recommendations of Lytton report by positive action. I have already informed Mr. Stimson of our intention to uphold Lytton report.²

Repeated to Washington and Peking for repetition to Tokyo.

² See No. 206.

No. 215

Mr. Holman (Peking) to Sir M. Lampson (on tour)

No. 23¹ Telegraphic [F 437/18/10]

PEKING, January 18, 1933

Following is account of interview between Military Attaché and French Military Attaché at Tokyo on January 17th.

French Military Attaché expressed opinion that Japanese intended to liquidate Jehol situation during February but that their Government was averse from operations on Tientsin-Peking line owing to danger of international complications. He did not however exclude possibility of such action if Japanese were threatened in a military sense and were forced to act in what they considered was 'self defence'.

He considered despatch of two divisions to Tangku² would be quite sufficient to settle any Chinese forces now in Jehol or Luan River area.

¹ Repeated at 1 p.m. on January 18 as No. 61 to the Foreign Office (received at 9 a.m. on January 19).

² A note on the filed copy points out that 'Tangku is opposite Taku on the mouth of the river on which Tientsin lies'.

He said Japanese Government were attempting to settle whole affair politically without recourse to force but whole difficulty of such a solution was to find any one Chinese strong enough to break away from political affiliations and head a northern bloc favourable to their policy.³

Repeated to Mission, Commander-in-Chief, Tokyo, General Officer Commanding and Foreign Office.

³ In a further telegram, No. 24 of even date to Sir M. Lampson (repeated as No. 62 to the Foreign Office), Mr. Holman reported that the Japanese Military Attaché at Peking had said on January 15 that his government did not desire to embark on an adventure in Hopei proper but were determined to settle the Jehol question shortly.

No. 216

Sir M. Lampson (Swatow) to Mr. Ingram (Nanking)

No.—¹ Telegraphic [F 470/18/10]

SWATOW, *January 18, 1933*

Your telegram No. 4.²

Without fuller knowledge I find it difficult to judge. But surely the natural thing is to tell the Minister for Foreign Affairs anything he does not already know regarding local discussions at Chinwangtao and I think that you should now do so. That eliminates any possible later charge of secrecy or ulterior motive however ridiculous such a charge may be.

(2) As I understand it Commander-in-Chief's action was limited to offer of good offices of local British Naval Commander if two sides wished it. That was on facts as I know them perfectly right and unexceptionable, our sole object being to help both sides to compose their difficulties should they so desire and be looking for an opportunity to get together.

(3) Should Minister for Foreign Affairs disown General Ho you should at once inform Commander-in-Chief in order that appropriate instructions may be sent to Senior Naval Officer at Chinwangtao and repeat to me and the Foreign Office.

Repeated to Foreign Office, Commander-in-Chief and Peking.

¹ Probably No. 13 to Nanking, cf. No. 234 below. This telegram was repeated by wireless on January 19 as No. 8 Tour to the Foreign Office (received at 5 p.m.).

² Of January 16; see No. 222 below.

No. 217

United Kingdom Delegate (Geneva) to Sir R. Vansittart
(Received January 20)

No. 2 L.N. [F 479/33/10]

GENEVA, *January 18, 1933*

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

No. and Date
Sir John Simon
Jan. 17.

Subject
China and Japan: record of conversation with
M. Matsuoka.

ENCLOSURE IN NO. 217

Memorandum

GENEVA, *January 17, 1933*

Monsieur Matsuoka informed me this afternoon that the new formula for conciliation which had been under consideration by the Japanese Government had now been transmitted to Geneva. Japan objected to the inclusion in a Committee of Conciliation of representatives of the United States and Soviet Russia, as had been suggested by the Committee of Nineteen. He told me that Sir Eric Drummond had expressed the view that the exclusion of the Soviet member might be accepted, but that the American member was likely to be insisted upon. Monsieur Matsuoka gave me a series of reasons why there should be no American member, contending that the scheme of Article XV made the inclusion of any but members of the League *ultra vires* and that on other grounds the exclusion of the United States was desirable in the interests of the League and that the Japanese objection was reasonable. I told Monsieur Matsuoka that I thought Japan was making a mistake on this point. I enquired whether in all other respects the formula which had been submitted to the Japanese Government was accepted by them, as in that event the League might be more disposed to agree to the exclusion of an American member. Monsieur Matsuoka said that the other suggested amendments in the formula were of small importance, but I pointed out that it remained to be seen if China would accept the Japanese formula and that if not, no basis for conciliation would have been found. Monsieur Matsuoka spoke warmly of the efforts which Sir Eric Drummond had made to assist in finding a formula which might be acceptable, but I warned him that a false construction had been put upon these complimentary references and that the Secretary-General had been exposed to the unjust reproach that he was engaged in assisting one side at the expense of the other. Everything Sir Eric had done had been done in the discharge of his duty to the League as a whole and I hoped that nothing would be said which might be misconstrued as evidence of partisanship. Monsieur Matsuoka volunteered the information that he personally had seen no objection to the inclusion of an American member on the Committee and that he had telegraphed to his Government to this effect, but they had taken a different view which he, of course, would actively support.

Monsieur Matsuoka had already seen Monsieur Hymans and I urged him also to see the French and Italian representatives so that others beside myself might be acquainted with the information he had given me.

J. S.

*United Kingdom Delegate (Geneva) to Sir R. Vansittart
(Received January 20)*

No. 3 L.N. [F 483/33/10]

GENEVA, *January 18, 1933*

The United Kingdom delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

No. and Date

Subject

Sir John Simon
Jan. 17.

China and Japan: record of conversation with
Mr. Quo Tai-Chi.

ENCLOSURE IN No. 218

Memorandum

GENEVA, *January 17, 1933*

Mr. Quo Tai-Chi called on me this afternoon and conversed on various aspects of the Sino-Japanese dispute. He expressed concern as to statements in the Geneva press, and in British newspapers fed by certain Geneva correspondents that Sir Eric Drummond had been engaged in putting forward, in the interests of Japan, a new formula. I advised him to place no credence in any report suggesting that the Secretary-General was taking sides, for, without having any information of my own on the matter, I was perfectly sure that this could not be true. I did not myself know anything about the contents of the new formula, but I understood that it was being considered at Tokio and that we might have news of it tomorrow. It was so important to make every effort to find a basis for conciliation that I strongly urged that it should be given sympathetic consideration. If conciliation failed, then the League would be bound to proceed under paragraph 4 of Article XV and make some report and recommendations. I said that I had never concealed my own view that in that event the Lytton Report, in view of its unanimity and of the materials upon which it was based, possessed an unrivalled authority and I presumed that the Report would be adopted by the League, alike as regards its findings of fact and as regards its recommendations. It was not a one-sided document and I recognised that it contained matters which were not altogether pleasing to either side, but its general impartiality could not be reasonably called in question.

His Excellency added some interesting speculations as to the future development of the Sino-Japanese conflict. He said that China realised that neither America nor the Great Powers belonging to the League would intervene by physical force and that there was a growing appreciation among his fellow-countrymen that, while they had put their faith in the League of Nations, the League could not do much for them. The result of this was an increasing determination to rely upon themselves and to put up the stoutest resistance to Japan that they could. He declared that the Japanese plan of

campaign included the creation of a buffer state in Northern China which would separate the rest of China from Manchuria, after which Manchuria was to be absorbed fully within the Japanese Empire. But he did not believe that these grandiose plans could ultimately succeed. Indeed, he was confident that Japanese imperialism would over-reach itself. It was true that the pacific elements in Japan had been absorbed or cowed by the military party, but in the long run the financial burden of the Japanese effort and the steady passive resistance of the Chinese population would be too much for the invader and Japanese efforts to establish an empire on the mainland would fail. The result he thought might even be that Korea would be lost to Japan in the end. While these were the convictions which His Excellency expressed, he agreed that such a result would only come about slowly and in the meantime he thought there would develop an increasing resistance and resentment on the Chinese side.

J. S.

No. 219

Sir R. Lindsay (Washington) to Sir J. Simon (Received January 30)

No. 97 [F 664/33/10]

WASHINGTON, *January 18, 1933*

Sir,

I have the honour to report that the newspapers yesterday were full of reports to the effect that the President-elect had expressed his approval of the Administration's policy in the Far East and that United States representatives abroad had been authorized, if asked, to state that the policy remained unchanged.

2. Today's newspapers published the following statement issued by Governor Roosevelt in reply to journalists who asked whether he could confirm or amplify the above reports: 'Any statement relating to any particular foreign situation must of course come from the Secretary of State of the United States. I am, however, wholly willing to make it clear that American foreign policies must uphold the sanctity of international treaties. That is the corner stone on which all relations between nations must rest.'¹

I have, &c.,
R. C. LINDSAY

¹ Cf. *F.R.U.S. 1933*, vol. iii, p. 102.

Mr. Patteson (Geneva) to Sir J. Simon¹ (Received January 19, 9.30 a.m.)
No. 5 L.N. Telegraphic [F 444/33/10]

GENEVA, January 19, 1933, 2 a.m.

Following from Mr. Cadogan:—

Committee of Nineteen considered Japanese counter-drafts at secret meeting this afternoon.²

Principal changes in draft resolution were

- (1) omission of paragraph mentioning covenant, pact and Nine Power Treaty.
- (2) Statement that principles in chapter 9 of Lytton Report were 'a useful basis' and that Assembly must define 'to what extent the above principles may be applied'.
- (3) Appointment of small sub-committee of Committee of Nineteen to help two parties to reach a solution.

Principal changes in statement of reasons were

- (1) Suppression of last paragraph and
- (2) in penultimate paragraph insertion after words 'matters of fact' of the words 'account being taken of observations of parties'. In a covering letter addressed to the President Japanese delegation indicated that non-inclusion of United States in the committee of conciliation was regarded by Japanese government as *the* essential point.

2. Irish representative argued that committee regarded the other changes made by Japanese delegation as more essential than invitation to the United States of America and it was generally agreed that conciliation could not be allowed finally to break down on point that committee wished to force parties to accept non-League members as members of a League committee of conciliation. As regards the last paragraph of statement of reasons Secretary General explained that Japan certainly also regarded this as an essential point but Secretary of State pointed out that there was no necessity to obtain assent of parties to the statement of reasons. It could be put forward by the President of Assembly as a statement of Committee of Nineteen not binding on parties, who could if they chose, make express reservations to it. It would however be binding on all other members who did not expressly dissent.

3. It was finally agreed that President should ascertain from the Japanese delegation whether if they were met over the point which they had declared to be essential they were prepared to withdraw their other amendments to that draft resolution and treat the statement of reasons on basis suggested in preceding paragraph.

Little hope is entertained of favourable result but it is felt to be important that if conciliation breaks down it should be clear that it is because it has

¹ Sir J. Simon returned to London from Geneva on January 19.

² This telegram was drafted on January 18.

been found impossible to establish a basis for conciliation and not merely over composition of conciliation committee.³

Repeated to Tokyo No. 13 and Peking No. 26 by Foreign Office.

³ Cf. *F.R.U.S.* 1933, vol. iii, pp. 109-111.

No. 221

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 19, 1 p.m.)

No. 24 Telegraphic [F 447/445/10]

TOKYO, *January 19, 1933, 7.48 p.m.*

Your telegram No. 12¹ and Mukden telegram No. 9² to Peking.

(1) I spoke to Minister for Foreign Affairs this afternoon as instructed and left short memorandum with him. He promised to look into the matter and Commercial Counsellor will pursue it.³

(2) Japanese tobacco interests are so closely identified with Japanese Government that they can have no independent views.

(3) I also spoke to Minister for Foreign Affairs about hostility of banks in Manchuria towards British insurance companies and Commercial Counsellor has taken this matter up already—see Newchwang despatch No. 92 to Peking of December 22nd.⁴

Repeated to Mukden.

¹ This telegram of 5.15 p.m. on January 18 said that the British-American Tobacco Co. were gravely perturbed about their prospects in Manchuria, and recalled General Muto's assurance that no interference with the Company's business or investments was contemplated. Sir F. Lindley was instructed to speak to the Minister for Foreign Affairs on the subject immediately.

² This telegram of January 18, repeated to the Foreign Office in Peking telegram No. 67 of January 23, reported the refusal of the S. Manchuria Railway administration to grant a permit to the local manager of the British-American Tobacco Co. to open a factory in the railway zone in Mukden. This information had been cabled to London on January 18.

³ Mukden telegram No. 10 of January 20 to Peking (repeated in Peking telegram No. 68 of January 23 to the Foreign Office) said that the refusal of a permit was due to a misunderstanding and the matter would be reconsidered.

⁴ Newchwang despatch No. 92 to Peking was dated October 19, 1932 (copy received in the Foreign Office on December 6, 1932, as enclosure in Peking despatch No. 1378 of October 28). It had intimated that the Japanese banks at Kaiyuan, north of Mukden, were refusing to grant loans to grain dealers whose stocks were covered by policies issued by European insurance companies. The reference may, however, have been to Newchwang despatch No. 109 to Peking of December 22, 1932 (copy received in the Foreign Office on February 28, 1933, as enclosure in Peking despatch No. 27 of January 7, 1933), in which H.M. Consul at Newchwang had suggested that representations by H.M. Ambassador at Tokyo regarding the tendency of Japanese banks to refuse to accept insurance policies issued by British companies 'might not be out of place'. Mr. Ingram's agreement with this procedure had been sent to Sir F. Lindley in Peking telegram No. 14 of January 6 to Tokyo.

No. 222

Mr. Holman (Peking) to Sir J. Simon (Received January 20, 9 a.m.)

No. 66 Telegraphic: by wireless [F 471/18/10]

PEKING, January 19, 1933

Following received from Mr. Ingram.

Addressed to His Majesty's Minister No. 4 January 16th repeated to Peking.

My telegram No. 1 to Foreign Office.¹

Statements of Minister for Foreign Affairs reported in last paragraph made it appear that he is unaware that discussions are still proceeding at Chin-wangtao. I thought it advisable not to enlighten him without definite instructions from you as matter is so delicate. I shall be surprised if General Ho who is I believe . . .² stubborn is not acting behind the back of Peking and Nanking as he did over settlement of armoured train incident at Shan-haikuan in December.³ At recent plenary congress he was made scapegoat for this incident and was actually in Peking for the purpose of resigning when hostilities broke out on January 1st. In any event I cannot but think Nanking will repudiate any arrangement he may come to locally in view of their declared policy—see my telegram under reference—and may saddle us with blame for facilitating it.

¹ No. 210.

² The text as received was here uncertain and was subsequently amended in accordance with a letter of March 25 from Peking Chancery. The correct text should evidently read: 'is I believe returned Japan student, is not acting'.

³ For communications to the Secretary-General from the Chinese and Japanese delegations to the League of Nations, December 9-12, 1932, relating to this incident, see *L/N.O.J.*, *S.S. No. 111*, pp. 175 and 185-6.

No. 223

United Kingdom Delegate (Geneva) to Sir J. Simon

(Received January 24)

No. 6 L.N. [F 523/33/10]

GENEVA, January 19, 1933

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

No. and Date

Subject

M. Matsuoka, Jan. 18.

China and Japan: question of recognition of Manchukuo: comments on American attitude.

ENCLOSURE IN No. 223

M. Matsuoka to Sir J. Simon

Strictly confidential

GENEVA, January 18, 1933

My dear Sir John,

Permit me to thank you for the time given me last evening to present

reasons for my Government taking a rather strong attitude in refusing to fall in with the idea of inviting non-member nations to participate directly or indirectly in the deliberation of a conciliation committee to be instituted under paragraph 3 of Article 15 of the Covenant of the League.¹

Purposely, I omitted one point in the instructions from Tokyo, for I did not then feel [? like] taking up more of your valuable time.

However, noticing this morning in the yesterday's issue of the Paris edition of the Chicago Daily Tribune a report from Washington under caption 'U.S. Reaffirms Nonrecognition for Manchukuo'² and another press report appearing in the today's local newspapers here under caption 'Déclaration Roosevelt',³ clippings of which I enclose herein, I feel it advisable for me to lay before Your Excellency the point omitted in our conversation last evening. Disinclined further to take up your time to-day and also wishing to avoid attracting outside attention by my calling on you again, I take the liberty of communicating to Your Excellency in writing.

The American Government had taken, as you know, a clear-cut stand on the question of nonrecognition of Manchukuo. Although the so-called Stimson Doctrine was set forth as a matter of principle, it was then, and is still, interpreted, as the world common sense goes, as was meant to refer to the question of recognising Manchukuo. The League in a way embodied the Stimson Doctrine, it is true, in the Resolution adopted in the Assembly on March 11, 1932, but it was so carefully handled that the League's stand on the matter is not so clear-cut as that of Stimson's. Of course, all of us have politics in our respective countries, and the actions of Hoover⁴ and Roosevelt and of the State Department may have been taken partly for home consumption in America. But I cannot persuade myself to viewing them as discreet just at that time. The American Government might have given just a little bit more of consideration for the feelings of my people—could have done so without injury to their own interests or without fear whatever of endangering world peace. I am afraid these actions added fuel to the indignation and agitations in Japan against America—already bad enough without these fresh causes of irritation.

In the instructions from Tokyo, my Government wished to call attention to the stand America has been taking on the matter as voiced by Stimson. They are afraid that a party taking such a clear-cut stand to participate in the deliberations of a conciliation committee will only add elements of clash and unpleasantness and may close the way to conciliation envisaged by the League.

I should feel obliged if you would give serious and mature consideration on the above view of my Government.

Very sincerely yours,
Y. MATSUOKA

¹ Cf. No. 217.

² Not printed.

³ Not printed: this report was similar to that in No. 219.

⁴ Mr. H. Hoover was President of the United States, 1929–March 1933.

No. 224

Mr. Patteson (Geneva) to Sir J. Simon (Received January 21, 9.30 a.m.)
No. 8 L.N. Telegraphic [F 491/33/10]

GENEVA, January 20, 1933, 11 p.m.

Following from Parliamentary Under Secretary.¹

Committee of Nineteen met today and were informed by President that Japanese Delegation had as yet received no reply from their Government to question which he had put to them after last meeting on January 18th. Delegation however communicated fresh proposals² of their own which they undertook to press their Government to agree to if they were acceptable to the Committee. It was agreed Committee could not discuss these unofficial proposals and it was decided to wait 24 hours for Japanese Government's reply. I suggested that a drafting committee should meanwhile be appointed to consider lines of report under paragraph 4 of article 15 but after some discussion it was agreed that this action might be taken at tomorrow's meeting if there was still no answer from Japan. I urged that draft prepared by President should not be circulated but that Committee should first discuss form report should take. I also pointed out conciliation would still remain open up to the moment when report was actually adopted by Assembly and this view was generally concurred in.

Please repeat to Peking and Tokyo.

¹ Mr. A. Eden; cf. No. 75, note 2.

² Cf. No. 233 below.

No. 225

Sir J. Simon to Sir F. Lindley (Tokyo)
No. 47 [F 509/18/10]

FOREIGN OFFICE, January 20, 1933

Sir,

During the course of conversation with the Japanese Ambassador this evening, I asked him if he could give me any information as to Japanese intentions in regard to their recent activities at Shanhaikwan. I pointed out to M. Matsudaira that as soon as Parliament met in February I was likely to be questioned on this subject. Whatever the view taken on the Manchurian question, this recent event would be considered to stand on a different footing, for Shanhaikwan was inside the Great Wall.

M. Matsudaira stated specifically that in the view of his Government Manchuria and the new state of Manchukuo were bounded by the Great Wall. He said that operations at Shanhaikwan had been forced upon Japan by Chinese attacks, but that he knew that instructions had been given to the Japanese contingents at Peking and Tientsin to avoid any action which could raise trouble in those regions.

I enquired whether His Excellency meant to imply that the incidents at Shanhaikwan had merely a local significance and did not betoken any designs upon the area inside the Wall. M. Matsudaira said that that was certainly his understanding. He indicated that he would communicate with his Government and might be able to make me a more definite statement.

I am, &c.,

[(for the Secretary of State)]

C. W. ORDE

No. 226

United Kingdom Delegate (Geneva) to Foreign Office

(Received January 24)

No. 4 L.N. [F 524/33/10]

GENEVA, *January 20, 1933*

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

No. and Date

Subject

Sir E. Drummond, Jan. 19 [? 18]

China and Japan: conversation with
M. Matsuoka.

ENCLOSURE IN No. 226

Record of Interview with M. Matsuoka

GENEVA, *January 18, 1933*

M. Matsuoka came to see M. Hymans and myself this evening.

M. Hymans said to him that the Committee of Nineteen held a long meeting, and had discussed the Japanese proposals.¹ They had understood from the Japanese letter that the Japanese Government attached the greatest importance to the question of the invitation of representatives from states non-Members of the League to serve on the Committee for endeavouring to find a settlement of the dispute. The Committee of Nineteen were inclined to take account of the Japanese position; but if they did so, they would ask in return that the Japanese Government should accept the texts of the original Resolution and Statement of Reasons, modified by omitting any reference to the possible invitation to the United States and the Soviet Governments.

M. Matsuoka said that he was very grateful to M. Hymans for what he had said. He would, of course, hold a meeting of his Delegation, and telegraph to his Government. But frankly his opinion was that it would be easier to persuade the Japanese Government to accept the invitation to non-Members, rather than to accept the original texts, even if modified as suggested.

¹ See No. 220.

I remarked to the Ambassador that the new texts constituted a grave departure from the original, not only in connection with the invitation to non-Member States, but also in such matters as the basis of conciliation. There was a great difference between taking the principles in Chapter 9 of the Lytton Report as 'the basis', or as 'a useful basis'. There was also the omission of any mention in the resolution of the three Treaties.

The Ambassador acknowledged that this was the case.

M. Hymans then enquired whether the difficulty for the Japanese arose from the resolution or from the Statement of Motives [*sic*]. If he remembered rightly the Japanese Government had taken the strongest objection to the last paragraph of that statement. The Committee had considered this point, and had thought it possible to agree that the two Parties should be able at the Assembly to make such reservations as they deemed proper with regard to the Statement of Reasons. This surely would greatly facilitate the position of the Japanese Government.

M. Matsuoka again repeated that he would at once summon his Delegation, that he would telegraph to his Government, but that he did not himself believe that the Government could accept the proposal now made.

E. DRUMMOND

No. 227

United Kingdom Delegate (Geneva) to Sir J. Simon

(Received January 24)

No. 7 L.N. [F 527/33/10]

GENEVA, *January 20, 1933*

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

No. and Date

Subject

Mr. Eden, Jan. 19.

China and Japan: conversation with M. Matsuoka.

ENCLOSURE IN NO. 227

Record of a Conversation with M. Matsuoka on January 18

GENEVA, *January 19, 1933*

On instructions from the Secretary of State I called upon M. Matsuoka last night. The latter had already seen M. Hymans and Sir Eric Drummond, and had been informed by them of the views of the Committee of Nineteen upon the last Japanese proposal.¹

I reminded M. Matsuoka that he had told Sir John Simon that the inclusion of a State which was not a Member of the League upon the Committee of Conciliation was the one major point which the Japanese Government was determined to resist. Now that it seemed probable that the

¹ See No. 226.

Committee of Nineteen would not insist upon such an addition in the face of either Chinese or Japanese opposition, I sincerely trusted that M. Matsuoka would no longer press for his minor amendments but would accept without hesitation, since he had now apparently obtained all that he himself had considered of major importance.

M. Matsuoka replied that there seemed to be two alternatives open to the Japanese Government. Either they could accept the report of the Committee of Nineteen of December 15th less the paragraph which had reference to the addition of a non-Member State to the Committee of Conciliation, or they could accept what he called the 'Drummond-Sugimura' proposals,² and he thought that his Government would prefer the latter course. M. Matsuoka continued to harp on these latter proposals which I had never seen and of which the British Delegation has no copy. I asked M. Matsuoka whether these 'Drummond-Sugimura' proposals contemplated the inclusion of a non-Member State on the Committee of Conciliation. He said that they did, but that they were none the less so far preferable in other respects that he thought that his Government would rather accept them than the amended proposals of December 15th. I pointed out that since his major objection to the proposals of December 15th had been met, I thought it should be possible for him to signify an immediate acceptance of these.

M. Matsuoka then expatiated upon the difficulty the Japanese Government would find in accepting the last paragraph of the Statement of Reasons. I replied that there would be no necessity for the Japanese Government to assent to this Statement: it represented the views of the Committee, not the views of the Japanese Government. M. Matsuoka replied that this might be clear to the Anglo-Saxon mind, but it would make no appeal to the Japanese.

M. Matsuoka concluded with an earnest appeal for patience, urging that good relations between China and Japan were sufficiently important to warrant a few days delay. I gathered the impression that M. Matsuoka, who appears to have changed his ground since his last interview with the Secretary of State,³ was chiefly engaged in playing for time.

A. E.

² See below, and for earlier references to recent discussions of Japanese delegates at Geneva with M. Hymans and Sir E. Drummond, Nos. 204 (last para.), 206 (para. 2), 217-18; cf. No. 229 below, and *F.R.U.S. 1933*, vol. iii, pp. 92-93, 95, 107-9.

³ See No. 217.

No. 228

Mr. Ingram (Nanking) to Sir J. Simon (Received January 21, 9.30 a.m.)
No. 3 Telegraphic [F 490/33/10]

NANKING, *January 21, 1933, 10.45 a.m.*

Following sent to His Majesty's Minister telegram No. 6 January 18th.
Begins:

Minister for Foreign Affairs told me last night that Chinese government were seriously considering the question of leaving the League in the event of their failing to obtain satisfaction at Geneva.

He also warned me to expect Chinese press to react strongly to the attitude of conservative papers at home as reported in yesterday's Reuter's telegram.

No. 229

Sir J. Simon to Sir F. Lindley (Tokyo)

No. 16 Telegraphic [F 508/33/10]

FOREIGN OFFICE, *January 21, 1933, 2 p.m.*

My telegram No. 8¹ (of the 14th January: conversation with Japanese Ambassador).

Japanese Ambassador called again on January 20th. I told him Mr. Matsuoka had emphasised that only difficulty was proposal to include United States and Russia in the Conciliation Committee. Committee of Nineteen was now prepared to abandon this proposal and I was therefore surprised to learn that Japan was now suggesting serious difficulties on other points.

His Excellency said that probably confusion had arisen owing to existence of two drafts, one the Committee's Draft Resolution, the other a modification drawn up by Mr. Sugimura of the League Secretariat and Sir Eric Drummond. The latter draft had got rid of all substantial difficulties except the inclusion of the United States and Russia. Japanese were now, however, being asked to agree to the Committee's original draft, excluding only invitation to United States and Russia.

I agreed that this might be the explanation, but pointed out that I had not seen the Sugimura draft. However this might be, I wished His Excellency to appreciate that the feeling was strong at Geneva that quite enough time had been occupied in discussing modifications suggested to meet Japan's view. I urged upon him that the best course was for his Government to accept the exclusion of America and Russia from the Committee and to raise no further trouble about other points. Then an effort at conciliation could be made. On the other hand, if discussion about amendments was further prolonged, the feeling would become intense that Japan was gaining time without contributing effectively to a settlement. If conciliation had to be given up and the League passed to the next duty, I said that I could not doubt that the Lytton Report would have to be in substance approved.

Repeated to Peking No. 29 and Washington No. 33.

¹ No. 204.

No. 230

Sir M. Lampson (Amoy) to Sir J. Simon (Received January 21, 5.30 p.m.)
No. 9 Tour. Telegraphic: by wireless [F 498/33/10]

AMOY, January 21, 1933¹

Nanking telegram No. 6 to me.²

I also have been struck at seemingly unnecessarily full reports by Reuters of what some of London papers say against *any* form of action under the Covenant.

Repeated to Peking and Nanking.

¹ This telegram was drafted on January 19.

² See No. 228.

No. 231

Mr. Ingram (Nanking) to Sir J. Simon (Received January 21, 5.30 p.m.)
No. 4 Telegraphic: by wireless [F 495/16/10]

NANKING, January 21, 1933

India telegram No. 116 to India Office.¹

Owing to movements of Panshen Lama I have only today² been able to deliver Dalai Lama's letter.³

Panshen Lama promised to send a reply as soon as possible.

Repeated to Peking and India.

¹ Not printed.

² This telegram was drafted on January 20.

³ Cf. No. 33. The original of the Dalai Lama's letter had not reached Peking until December 21, at which time the Panchan Lama was in Nanking.

No. 232

Mr. Ingram (Nanking) to Sir M. Lampson (on tour)
No. 8¹ Telegraphic [F 499/33/10]

NANKING, January 21, 1933

My telegram No. 6² first paragraph.

United States Consul General was similarly informed by the Minister for Foreign Affairs on January 18th.³

Repeated to Peking, Foreign Office, Tokyo, Commander-in-Chief and General Officer Commanding.

¹ Repeated as No. 5 telegraphic by wireless to the Foreign Office (received at 9 p.m. on January 21).

² See No. 228.

³ Cf. *F.R.U.S.* 1933, vol. iii, p. 115.

No. 233

Mr. Patteson (Geneva) to Sir J. Simon (Received January 22, 2.40 p.m.)
No. 9 L.N. Telegraphic [F 496/33/10]

GENEVA, *January 22, 1933, 1.10 p.m.*

Following from Mr. Eden.

Committee of Nineteen met in private today¹ and were informed that Japanese Government had rejected the proposal made by the committee on January 18th and had approved their delegation's proposals referred to in my telegram No. 8.² These proposals (copy of which is being sent by post)³ were then considered and found to be unsatisfactory. Committee therefore decided to pass to drafting of report under paragraph 4 of Article 15 and to issue statement, text of which is contained in my immediately following telegram.⁴

Draft report prepared by Secretariat will be circulated very confidentially to members of the committee tonight and discussed at meeting on Monday morning.⁵ Committee felt they could not decide whether simple adoption of Lytton report was preferable to making fresh report without first seeing Secretariat's draft. Assembly will not be summoned until committee have drafted their report and recommendations—probably not before first week in February.

Repeated to Tokyo No. 17 and Peking No. 31 by Foreign Office.

¹ This telegram was drafted on January 21.

² No. 224.

³ Cf. No. 235 below, paragraph 5 and note 8.

⁴ Not printed: cf. *ibid.*, paragraph 7 and note 10.

⁵ January 23.

No. 234

Mr. Ingram (Nanking) to Sir M. Lampson (on tour)
No. 10¹ Telegraphic [F 593/18/10]

NANKING, *January 22, 1933*

Your telegram No. 13.²

Minister for Foreign Affairs spontaneously raised question of local discussions at Chinwangtao with me this morning. He said that he had just learnt that somewhere about January 20th Senior Naval Officer Chinwangtao and Mr. Chilton of Kailan had approached General Ho with messages from Japanese guaranteeing safety of General Ho's person and professing lack of any desire to demand apologies if General would enter into discussions.³

¹ Repeated on January 22 by wireless as No. 7 to the Foreign Office (received on January 23 at 9 p.m.).

² See No. 216, note 1.

³ In reply to an enquiry from Admiral Sir H. Kelly, the Senior Naval Officer (Commander Taylor of H.M.S. *Folkestone*) reported on January 24 (text reported to the Admiralty in Commander-in-Chief's telegram No. 433 of January 25, copy received in the Foreign Office on January 27) that the Commanding Officer of H.M.S. *Bridgewater* and the Kailan

2. I told Minister for Foreign Affairs that I had no knowledge as yet of any such meeting and then proceeded to give him history of such discussions as had taken place so far as I knew of them and went on to explain action taken on lines indicated in paragraph 2 of your telegram under reference.

3. Doctor Lo expressed his appreciation of Commander-in-Chief's intentions but said that in view of policy of Chinese Government as outlined in paragraph 1 of my telegram No. 1 to Foreign Office⁴ of January 16th it could only give rise to misunderstandings if Sen[i]or Naval Officer were to continue to act as channel of communication between the two parties locally and he hoped that instructions would be issued to refrain from any further activity in the matter.

Repeated to Commander-in-Chief, Foreign Office, Tokyo, Peking to copy to Tientsin.

Mining Association's agent had paid an informal visit to General Ho, who had volunteered that he was prepared to meet the senior Japanese authority at Shanhaikuan. The latter had replied on January 21 that he would consider a meeting if the first overture were made by the Chinese. Commander Taylor said that these messages were passed through on his authority but otherwise his assistance had not been sought by either party since January 13.

⁴ No. 210.

No. 235

United Kingdom Delegate (Geneva) to Sir J. Simon
(Received January 23)

No. 9 L.N. [F 502/33/10]

GENEVA, January 22, 1933

The United Kingdom delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the undermentioned paper.

<i>No. and Date</i>	<i>Subject</i>
Sir J. Pratt, Jan. 22	Sino-Japanese dispute; summary of proceedings before Committee of Nineteen, Jan. 16-21.

ENCLOSURE IN NO. 235

SINO-JAPANESE DISPUTE

Proceedings before the Committee of Nineteen, January 16-21, 1933

1. On December 20th, 1932, the Committee of Nineteen adjourned till January 16th, leaving the President and the Secretary-General to continue discussions in the meanwhile with the parties on the basis of the draft Statement of Reasons and draft Resolution of December 15th (for texts, see China Print, December 28th, Section 1, Annexes 1 and 2).¹ As a result of discussions between members of the Secretariat and the Japanese delegation in

¹ The reference is to selections of Foreign Office correspondence relating to China printed for confidential circulation: the Annexes referred to were reprints of Geneva telegrams Nos. 462 and 463 to the Foreign Office, see Nos. 127-8 above.

January, the latter on January 13th telegraphed to their Government new drafts of the Statement of Reasons and resolution (Annexes 1 and 2).² When the Committee met on January 16th they were informed that the instructions of the Japanese Government had not yet been received. The Committee therefore decided to adjourn till January 18th and to issue a statement (Annex No. 3)³ the terms of which indicated some displeasure at the dilatory tactics of the Japanese.

2. On the morning of the 18th January the Japanese Delegation informed the President that the Japanese Government approved the drafts of January 13th (Annexes 1 and 2) subject to the following five amendments:—

Draft Resolution

- (1) *Paragraph 3*: For 'constituent la base' read 'présentent une base'.
- (2) *Paragraph 4*: For 'déterminer comment' read 'déterminer dans quelle mesure'.
- (3) *Paragraph 6*: delete last half of paragraph relating to invitation to non-member States.

Statement of Reasons

- (4) *Paragraph 2*: for 'les éléments nécessaires' read 'des éléments nécessaires'.
- (5) *Paragraph 6*: delete last sentence relating to invitation to non-member States.

In the covering letter addressed to the President the Japanese Delegate emphasised the high importance which his Government attached to the exclusion of the United States from the Committee of Conciliation.

3. The draft of January 13th thus amended was considered by the Committee of Nineteen at their meeting on the afternoon of January 18th.⁴ Taking as a basis the drafts of December 15th, the new Japanese drafts were considered to be unsatisfactory as regards the following points:—

- (1) Omission of the paragraph in the Resolution mentioning the Covenant, the Pact and the Nine Power Treaty. The reference in the new final paragraph of the Statement of Reasons to the principles of Chapter IX and to the Resolution of March 11th was felt to be inadequate.
- (2) Statement that principles in Chapter IX of the Lytton Report were 'a useful basis'.
- (3) Statement that the Assembly must define 'to what extent the above principles may be applied'.
- (4) The exclusion of the United States and the U.S.S.R. from the Committee of Conciliation.
- (5) Deletion of the last paragraph of the Statement of Reasons referring to the non-recognition of Manchukuo and the substitution of an unsatisfactory paragraph therefor.
- (6) Insertion in the penultimate paragraph of the Statement of Reasons of the words 'account being taken of the observations of the parties'.

² Not printed. Cf. No. 214.

³ Not printed. Cf. No. 212.

⁴ Cf. No. 220.

4. The Committee were of opinion that it might be difficult to force the parties to accept as members of a League organ of conciliation a State that was not a member of the League; that though Japan might regard the exclusion of the United States as the essential point in the Committee's view⁵ the other points set out in the preceding paragraph were, in the Committee's view, far more essential; and that therefore conciliation should not be allowed to break down over the question of the invitation to non-member States. The Committee therefore decided that the President should ask the Japanese Delegation whether, if they were met over the question of the invitation to the United States, the Japanese Government would, as regards the other points, accept the original drafts of December 15th. He was further authorised to inform the Japanese Delegation that there was no necessity for the parties to assent to the Statement of Reasons. It would be put forward by the President as a statement of the Committee of Nineteen not binding on the parties who could, if they chose, make express reservations to it. It would however be binding on all other members who did not express dissent.

5. The Committee of Nineteen met again on January 20th⁶ and were again informed that no reply had yet been received from the Japanese Government. The Japanese Delegation had however communicated to the President certain fresh proposals of their own which they undertook to press their Government to agree to provided they were acceptable to the Committee. The Committee however decided that they must adjourn without discussing proposals which did not emanate from the Japanese Government and that they must await a reply from the Japanese Government to the question put to them on January 18th. At their next meeting on January 21st⁷ the Committee were informed that the effect of the telegrams exchanged between the Japanese Delegation and their Government was that the Japanese Government rejected the proposal made by the Committee on January 18th (see paragraph 4 above) but adopted as their own the proposals put forward by the Japanese Delegation. The Committee therefore proceeded to consider the new Japanese drafts, the texts of which are contained in Annexes 4 and 5.⁸ It was found that in these new drafts the Japanese Government had taken as their basis the drafts of January 13th (Annexes 1 and 2); they had dropped amendments Nos. 1, 2 and 4 (see paragraph 2 above) but maintained amendments Nos. 3 and 5 (both relating to the invitation to the United States); in paragraph 3 of the draft resolution they had inserted a sentence mentioning the Covenant, the Pact and the Nine Power Treaty. Thus the Japanese Government had *partly* met the objections of the Committee on the first three of the six points set out in paragraph 3 above but not at all on the last three. Moreover, the Japanese Delegation had made it clear that if the last paragraph of the original draft

⁵ In the Confidential Print copy of this enclosure there is a comma after 'view'.

⁶ Cf. No. 224.

⁷ Cf. No. 233.

⁸ Not printed. An English text of these Japanese proposals of January 21 is printed in *L.N.O.J., S.S. No. 112*, pp. 76-77.

of December 15th of the Statement of Reasons (see China Print, December 28th, section 1, Annex 1) were maintained they would have to vote against the Resolution and that this would still be their attitude even though the Statement of Reasons were merely put forward by the President as suggested in paragraph 4 above.

6. In these circumstances the Committee had no hesitation in reaching the conclusions that the new Japanese proposals were unacceptable and that as the Japanese Government had rejected the Committee's proposal of January 18th the effort to effect conciliation must be regarded as having failed. These conclusions were indeed rendered inevitable by the attitude of the Chinese Delegation. On December 26th the Chinese Delegation had communicated to the League certain amendments⁹ which it had desired to see introduced into the drafts of December 15th. The most important of these was that the doctrine of non-recognition of Manchukuo should be explicitly—instead of implicitly—stated in the Resolution itself. The Chinese amendments did not seem to present any serious difficulties, and the Committee felt that it would be better not to deal with them until the position had been clarified by further negotiations with the Japanese. On January 20th, however, the Chinese Delegation, alarmed by erroneous press reports to the effect that the Committee of Nineteen were yielding unduly to Japanese demands without giving the Chinese Delegation an opportunity of expressing their views, published their memorandum of December 26th with a covering statement declaring that China would refuse to enter into conciliation unless the basic principle of non-recognition of the present régime in Manchuria were expressly re-affirmed in the Resolution and insisting on the collaboration of the United States and Soviet Russia. It should also be mentioned that the Committee's drafts of December 15th, in spite of their highly confidential character, were published in full in the *Manchester Guardian* of December 28th, thus making it difficult for either party to agree to alterations which might be construed as a weakening of their respective positions. This no doubt contributed to the eventual breakdown of conciliation.

7. Under the terms of the Assembly Resolution of March 11th the Committee of Nineteen were empowered 'to prepare, if need be, the draft of the report provided for in Article 15, paragraph 4, of the Covenant'. Doubts were entertained by some members whether the Committee could pass of its own initiative from action under paragraph 3 to action under paragraph 4, or whether the Assembly should not first be convened for the purpose of pronouncing that conciliation had failed. It was decided however that the Committee should begin immediately the preparation of the Report under paragraph 4, that the Assembly should not be convened until this Report was ready and that the Report should be presented to the Assembly immediately after the Assembly had approved the Committee's view that conciliation had failed. The Committee therefore adjourned on January 21st

⁹ The Chinese Memorandum of December 26, 1932, is printed in *L.N.O.J.*, S.S. No. 112, pp. 77-79.

after approving the publication of a statement the text of which is contained in Annex No. 6.¹⁰

The Committee will meet again on January 23rd at 10.30 a.m. to consider the question of the Report, the rough draft prepared by the Secretariat being circulated to members meanwhile. It will probably not be possible to convene the Assembly before the first week in February.

J. T. PRATT

¹⁰ Not printed. For the text, see *The Times*, January 23, p. 12; cf. *F.R.U.S.* 1933, vol. iii, p. 119.

No. 236

Sir J. Simon to Sir F. Lindley (Tokyo)
No. 20 Telegraphic [F 501/18/10]

FOREIGN OFFICE, *January 23, 1933, 5.10 p.m.*

Peking telegram No. 45¹ (of January 11th: Japanese action at Shanhaikuan and the Boxer Protocol).

I have informed French Ambassador in reply to enquiry² that His Majesty's Government agree that it is desirable that Powers signatories of Boxer Protocol should represent in a friendly manner to Japanese Government their anxiety that the régime set up by the Protocol, in which they are directly interested, should be observed, independently of any consideration arising out of the Sino-Japanese conflict.³

Please speak accordingly to Minister for Foreign Affairs if and when your French, United States, Italian, Spanish, Belgian and Netherlands colleagues are similarly instructed. Chinese government have made representations to those governments similar to those reported in Peking telegram No. 45¹ and I am taking steps to ascertain their views.⁴

Repeated to Peking No. 35 [by wireless] and Geneva (Saving) No. 2.

¹ See No. 198, note 2.

² See No. 207. For Sir J. Simon's reply of January 23 to M. de Fleuriau see note 4 below.

³ The information in this paragraph was repeated in Foreign Office telegrams of January 23 to H.M. Representatives at Brussels (No. 1, Saving), The Hague (No. 1, Saving), Paris (No. 16, Saving), Washington (No. 36), Rome (No. 11), and Madrid (No. 5). The telegrams also said that Sir F. Lindley had been instructed to speak in the above sense to the Japanese Minister for Foreign Affairs as soon as his French, United States, Italian, Spanish, Belgian, and Netherlands colleagues had been similarly instructed.

⁴ A letter by Sir J. Simon of January 23 to M. de Fleuriau, after giving the substance of the remarks in this telegram, dealt with the second point raised in M. de Fleuriau's memorandum of January 14 (see No. 207). Sir J. Simon recalled the recommendations made by the representatives of the powers in Peking in September 1932 'that joint representations should be made to the Chinese and Japanese Governments to respect the diplomatic quarter at Peking if and when Sino-Japanese hostilities should develop in the area south of the Great Wall' (cf. Volume X, Nos. 704 and 721), and said that 'the situation contemplated was the outbreak of hostilities in the vicinity of Tientsin or Peking or both, and, in view of the fact that the clash which has recently occurred between Chinese and Japanese forces has so far been confined to the area in the immediate vicinity of Shanhaikwan, His Majesty's Government do not feel that there is any real need at the present moment to act upon the recommendations of the Diplomatic Body at Peking'.

Mr. Patteson (Geneva) to Sir J. Simon (Received January 23, 8.45 p.m.)
Nos. 13 and 14 L.N. Telegraphic [F 523/33/10]

GENEVA, January 23, 1933, 7.40 p.m.

Following from Mr. Eden.

Committee of nineteen held private meeting this morning to discuss report under paragraph 4 of Article 15 taking as basis draft report prepared by Secretariat. This consisted after a short preamble of part (1) setting out in detail action taken at Geneva with long connecting links which were in effect re-drafts of passages in Lytton report and part (2) drawing conclusions which were also largely re-drafts of Lytton report. I urged committee should refrain from attempting to re-draft Lytton report; that report should open with a statement [? that] as regards facts and conclusions to be drawn therefrom Assembly adopted as its own report the first 8 chapters of Lytton report; it should then detail proceedings at Geneva as in part (1) but cutting out links, part (2) might be suppressed and report after describing breakdown of conciliation might proceed direct to recommendation. Argument against re-drafting of Lytton report received some support from French representatives but opinion of Committee generally seemed to be strongly in favour of view that Assembly report in view of its importance should itself state facts and not merely refer to another document. Secretary-General also argued that without historical links part (1) would be unintelligible and that conclusions of Lytton report were not sufficiently definite to make impossible¹ for Assembly not to state its own conclusions. I was inclined to admit latter argument but continued to press for reduction of historical links in part (1) to a minimum. Modification of secretariat proposal that received considerable support² was that there might be two reports, one, report on failure of negotiations which would cover all action taken at Geneva and two, report confined to facts, conclusions and recommendations.

Secretary General informs me in confidence that if Assembly report restates facts given in Lytton report and conclusions drawn therein and proceeds immediately to recommendations he believes it would be possible for Assembly to avoid drafting its own conclusions which would probably have to be in nature of a judgment on one or both parties whereas danger of a demand for judgment would be greater under the plan proposed by me. Committee have not yet discussed recommendations so it is difficult for me to estimate whether demand for judgment can really be avoided. Choice appears to lie however between continuing to press for no re-drafting of Lytton report or yielding to demand that Assembly report shall state both facts and conclusions in hope of thus avoiding judgment on either side.

Sub-Committee of nine members³ has been appointed to study form

¹ A note on the filed copy suggests that this word should be 'possible'.

² A note on the filed copy suggests that this word should be 'support'.

³ i.e. M. Hymans and representatives of Czechoslovakia, France, Germany, Italy, Spain, Sweden, Switzerland, and the United Kingdom.

Assembly report should take but no time has yet been fixed for meeting either of sub-committee or Committee of 19.

Please repeat to Peking and Tokyo.

No. 238

Mr. Holman (Peking) to Sir J. Simon (Received January 24, 9 p.m.)

No. 72 Telegraphic: by wireless [F 591/290/10]

PEKING, *January 24, 1933*

Your telegram No. 10.¹

Mr. Ingram made verbal representations to Minister for Foreign Affairs January 15th on lines laid down in your telegram under reference. He told Minister for Foreign Affairs that there existed in north China considerable British interests and that circumstances might unfortunately arise in which they would suffer damage. In that event His Majesty's Government might be constrained to look to Chinese government for compensation.

Minister for Foreign Affairs said that his reply was partly contained in memorandum communicated by Waichaipu [*sic*] to signatory powers to Boxer protocol (see Nanking telegram No. 4 to Peking repeated to Foreign Office No. 45)² but he assured Mr. Ingram that if British property suffered by any unprovoked action of Chinese military he would make himself responsible that due compensation would be forthcoming.

¹ No. 192.

² See No. 198, note 2.

No. 239

Admiral Sir H. Kelly to Sir M. Lampson (Shanghai)¹

No. 1845/24 Telegraphic [F 615/18/10]

January 24, 1933, 6.45 p.m.

Addressed British Minister Peking at Shanghai repeated Admiralty 432, British Ambassador Tokyo, British Legation Peking 133, D[iplomatic] M[ission] at Nanking.

Mission Telegram No. 10² to you. No doubt Mr. Ingram drew the attention of Lowenkan to the wilful mis-statement about international interests involved.

In view of your absence at the time I recapitulate the situation.

2. Following the incident of January 2nd at Shanhaikuan Chinese troops withdrew (from the) west of Shihho and destroyed the rail (? railway) bridge.

This left Chinwangtao port, the property of the Kailan M[ining] A[dministration] and the only output [? outlet] for their mines (or minerals), as the most suitable point for landing Japanese forces.

¹ A copy of this telegram was received in the Foreign Office on January 27.

² No. 234.

Japanese landing party were embarked in ships under Admiral Tsuda lying off the port and the Chinese troops ashore were commanded by General Ho, with vast British properties and two British men-of-war lying between the two opponents.

3. Definite responsibility for the protection of British lives and property lies with the Commander-in-Chief.

4. As both of the Japanese and Chinese commanders were friends of the Commander-in-Chief a friendly message was sent through the Senior Naval Officer requesting that British lives and property might be respected and offering good offices to facilitate the peaceful solution of a purely local situation where the most important British interests in China were directly involved.

5. Desired assurances were obtained from two commanders and up to the present owing to the tact and discretion shown by my representative relations have been maintained between the opposing forces and peace has been preserved.

6. Shanhaikuan is ten miles from Chinwangtao and is separate situation.

There could be no question in the mind of Lowenkan of any discussion on the part of the subordinate commanders at Chinwangtao of major question of the occupation of Shanhaikuan or Manchuria.

No. 240

Mr. Ingram (Nanking) to Sir J. Simon (Received March 10)

No. 7 [F 1674/33/10]

NANKING, January 24, 1933

His Majesty's Sub-Legation at Nanking presents its compliments to H.M. Principal Secretary of State for Foreign Affairs and has the honour to transmit to him the under-mentioned documents.

Name and Date

Subject

Minute of Interview with Minister for Foreign Affairs—January 22nd 1933. Sino-Japanese Geneva Discussions.

ENCLOSURE IN NO. 240

Record of Interview between Dr. Lo Wen-kan and Mr. Ingram

NANKING, January 22, 1933

GENEVA PROCEEDINGS

As regards the course of events at Geneva Dr. Lo told me this morning that instructions had been issued to the Chinese delegates to stick out for the original draft of the Committee of Nineteen's resolutions and *exposé de motifs* and to insist on the Chinese amendments thereto. In no circumstances were the Drummond formula¹ or the Japanese amendments to be accepted. China

¹ Cf. No. 227, enclosure.

was now with her back to the wall, she could no longer look for outside help, but must henceforth rely on herself. If she were to go under it would be fate and if the present crisis did not bring out the necessary qualities in the Chinese then the probability was that she would go under. Count Uchida's speech on January 21st² offered no hope of change in the Japanese attitude.

E. M. B. I.

² Tokyo telegram No. 28 of January 21 to the Foreign Office (received at 9.30 a.m. on that day) said that an advance copy of Count Uchida's speech to be delivered in the Diet that day had been telegraphed to all Embassies abroad; the principal points were 'insistence on independence of Manchukuo; warning China not to continue to invade Jehol, which is part of Manchukuo, and need of League of Nations to show elasticity in applying its principles to anomalous situation in China'. Cf. *The Times*, January 21, p. 7.

No. 241

Mr. Ingram (Nanking) to Sir J. Simon (Received March 15)

No. 9 [F 1758/33/10]

NANKING, *January 24, 1933*

His Majesty's Sub-Legation at Nanking presents its compliments to H.M. Principal Secretary of State for Foreign Affairs and has the honour to transmit to him the under-mentioned documents.

Name and Date

Subject

Minute of Interview:—on January 22nd,
1933.

Anglo-Chinese Relations.

ENCLOSURE IN No. 241

Minute of Interview between Dr. Lo Wen-kan and Mr. Ingram

NANKING, *January 22, 1933*

ANGLO-CHINESE RELATIONS

In my conversation with the Minister for Foreign Affairs this morning¹ I told him that I had been astonished and pained to see the ease with which the Chinese press seemed to be accepting the preposterous idea that there was some kind of secret understanding between Great Britain and Japan whereby the latter would be given a free hand in Manchuria provided she refrained from action which would prejudice British interests in Shanghai or in China proper. I told Dr. Lo that there was absolutely no truth whatsoever in any such notions and that their propagation would only do an infinity of harm to Anglo-Chinese relations.

Dr. Lo professed to be convinced in his own mind that there was no truth in them but he said that it was very difficult for the Chinese not to believe that there was a change in the attitude of Great Britain towards China when they read such reports as had recently been circulated regarding the attitude of the Conservative press in London,² Mr. Woodhead's articles,³ accounts

¹ See No. 240, enclosure.

² Cf. Nos. 228 and 230.

³ Mr. H. G. W. Woodhead was Chairman of the Shanghai British Residents' Association.

of Sir John Simon's speech in December at the Assembly of the League,⁴ and even some of Lord Lytton's utterances regarding the danger which might be expected from Japan (he referred in particular to some speech in which Lord Lytton had likened Japan to a stick of dynamite). Dr. Lo said that we must remember that nearly the whole of the Chinese intelligentsia could read English but had no knowledge of British institutions. They did not understand how real was the freedom of the press in Great Britain, nor did they understand that if the Conservatives formed the majority in the House of Commons that therefore utterances of the Conservative press did not necessarily reflect the views of the British Government. He himself had lived long enough in England to realise these things but his countrymen were very susceptible to criticism and to the outward signs of friendship or hostility. He told me quite frankly that he and members of the Government could not resist the impression that since Sir John Simon's advent to office Great Britain's far eastern policy was based more on the fear of antagonising Japan than of cultivating the goodwill of China. If, as he believed, the keystone of our foreign policy was trade, we surely were making a mistake not to devote more attention to the goodwill of China than to that of Japan. China wanted nothing more at the moment than capital and exports; both of these Great Britain could supply and China would like them to be supplied by us. She could offer a far greater market for British goods and British enterprise than could Japan. Moreover, there was surely a natural affinity between a race such as ours and the Chinese race, we were both 'gentlemen', Japan was a 'nouveau riche'. Up to 80 years ago all Japanese culture had been borrowed from China, whereas since the Meiji era⁵ her material development had been borrowed from the west. China had a capacity for friendship and gratitude and did not forget her friends.

Dr. Lo waxed far more eloquent than usual on the above theme. I told him that it was a great mistake for him or his public to confuse impartiality with partisanship: the Chinese Government and the Chinese public had been wellnigh unanimous in their appreciation of the Lytton Report. That report was nothing if not impartial. If it said unkind things about Japan it said equally unkind things about China, yet when Sir John Simon reminded the Assembly of this fact it was heralded in this country as partisanship, as a change in British policy, and was a sign of growing hostility between Great Britain and China. As a lawyer and Minister of Justice Dr. Lo should know better than anyone the necessity for impartiality in international as well as human relationships. So long as Great Britain was a member of the League of Nations I felt sure that our attitude towards this problem would be based on impartiality. The Secretary of State had been throughout consistent in his attitude towards the policy of conciliation. So long as there was a chance of conciliation proving effective it should be tried. If circumstances should show that conciliation was unavailing Sir John Simon would advocate proceeding to paragraph 4 of Article 15 of the League Covenant. The British Government as a member of the Council of the League could not take

⁴ On December 7, 1932.

⁵ 1868-1912.

an individual attitude towards the problem or towards either of the protagonists.

I finally begged Dr. Lo if he could do nothing with regard to his own press that he should anyhow see to it that members of his Government understood the British attitude and that he should disabuse their minds of this absurd idea of the secret understanding between Great Britain and Japan.

E. M. B. I.

No. 242

Mr. Ingram (Nanking) to Sir J. Simon (Received March 8)

No. 10 [F 1587/512/10]

NANKING, *January 24, 1933*

His Majesty's Sub-Legation at Nanking presents its compliments to H.M. Principal Secretary of State for Foreign Affairs, and has the honour to transmit to him the under-mentioned documents.

Name and Date

Subject

Minute of Interview—January 22nd, 1933.

Sino-Soviet Relations

ENCLOSURE IN NO. 242

Minute of Interview between Dr. Lo Wen-kan and Mr. Ingram

NANKING, *January 22, 1933*

SOVIET RELATIONS

In the course of our conversation this morning¹ the Minister for Foreign Affairs volunteered the information that the sole reason for the resumption of relations with Russia² was China's desire to deliver another blow to Japanese trade. China needed cheap goods; owing to the cost of production neither the United States nor Great Britain could supply them. Hitherto Japan had been able to meet China's requirements in this respect. If the boycott of the Japanese trade was to become effective, means had to be found for supplying these requirements. Soviet Russia was the obvious source of supply and we might expect in the near future to see a great increase in the import of cheap Russian goods into China as a result of resumption in relations.

E. M. B. I.

¹ See Nos. 240-1, enclosures.

² Cf. No. 123.

No. 243

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 25, 9 a.m.)

No. 29 Telegraphic [F 555/18/10]

TOKYO, *January 25, 1933, 11.50 a.m.*

Mr. Ingram's telegram No. 11 to Sir M. Lampson.¹

It is generally believed here that Japanese will attack Jehol before thaw sets in towards the end of March. I do not regard this as a certainty but it is at least a possibility.

If attack takes place after Assembly have made unanimous report and recommendations and China has accepted them latter is sure to appeal to Article 16² and we shall be faced with dangerous crisis.

I submit that His Majesty's Government would do well to consider their line of action before the crisis arises always remembering that economic sanctions would probably result in war.

Repeated to Peking.

¹ No. 246 below.

² Of the Covenant of the League of Nations.

No. 244

Mr. Patteson (Geneva) to Sir J. Simon (Received January 25, 6.30 p.m.)

No. 21 L.N. Telegraphic [F 590/33/10]

GENEVA, *January 25, 1933, 5.30 p.m.*

Following from Mr. Eden.

My telegram No. 13¹ and my telegram No. 14¹ third paragraph.

Drafting Committee met this morning and considered whether there should be only one report namely report under paragraph 4 of Article 15 or whether there should be a first report to Assembly on breakdown of conciliation under third paragraph so that Assembly could decide to pass to paragraph 4 and consider main report under that paragraph possibly at a subsequent meeting of Assembly. Drafting Committee adjourned without reaching final decision and no date is yet fixed for its next meeting.

¹ No. 237.

No. 245

Sir J. Simon to Sir M. Lampson (Shanghai)

No. 3 Tour. Telegraphic: by wireless [F 498/33/10]

FOREIGN OFFICE, *January 25, 1933, 8 p.m.*

Your telegram No. 9 Tour¹ (of 21st January: reports telegraphed to China by Reuters with regard to opinion of London press on Sino-Japanese dispute).

¹ No. 230.

'Times' as most important paper is being warned to bear Chinese sensitiveness in mind in its leading articles and to avoid producing wrong effect in China. At the same time it is being suggested to Reuters that they should be careful and concentrate mainly on 'Times'.

No. 246

Mr. Ingram (Nanking) to Sir M. Lampson (Shanghai)
No. 11¹ Telegraphic [F 606/33/10]

NANKING, *January 25, 1933*

Vice Minister for Foreign Affairs asked me to see him this morning. The Chinese government were anxious that His Majesty's Government should have a clear understanding of the critical situation which faced China and League—seeing that the procedure of conciliation had apparently broken down. Now that the situation was passing from paragraph 3 to paragraph 4 of Article 15 of the Covenant, the Chinese government felt the necessity for considering susceptibilities of Japan no longer obtained. Paragraph IV called in first place for a report containing a statement of facts of the dispute and here China looked for condemnation of Japan's aggression and of her methods in setting-up the puppet state of Manchukuo; in the second place it called for recommendations which are deemed just and proper in regard to those facts and here only a restoration of China's sovereign rights over the three Eastern provinces would satisfy her—coupled with confirmation of final paragraph of preamble to Assembly's Resolution of March 11th regarding non-recognition of any situation etc. brought about by means contrary to the Covenant or to the Paris Pact.

2. Chinese government hoped that report would be unanimously voted. If so and if China's compliance with its recommendations was desired and procedure under paragraph VI² of Article 15 was to follow, the above were sole conditions which would secure that compliance.

Chinese government were most anxious that His Majesty's Government should realise their attitude from the outset. Failure to secure a report and recommendations which satisfied China's point of view could only result in a further deadlock which would prove most damaging to the League. In the event Chinese government would have to take fresh stock of the situation. Her public opinion would realise once and for all that reliance on the League was valueless and it might well be that China would leave the League.

Repeated to Foreign Office, Peking and Tokyo.

¹ Repeated by wireless as No. 8 to the Foreign Office (received on January 26 at 9.30 a.m.).

² This paragraph reads: 'If a report by the Council is unanimously agreed to by the members thereof other than the Representatives of one or more of the parties to the dispute, the Members of the League agree that they will not go to war with any party to the dispute which complies with the recommendations of the report.'

No. 247

United Kingdom Delegate (Geneva) to Sir J. Simon (Received January 27)
No. 12 L.N. [F 621/33/10]

GENEVA, *January 25, 1933*

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

No. and Date

Sir E. Drummond.
20th January, 1933.

Subject

China and Japan

Record of conversation between Sir E. Drummond, M. Hymans and M. Matsuoka, January 20th.

ENCLOSURE IN NO. 247

Record of Interview

GENEVA, *January 20, 1933*

M. Matsuoka came to see M. Hymans and myself this evening.

M. Hymans informed him that the Committee had met this afternoon,¹ and that he had explained that the letter from the Japanese Delegation to himself of yesterday evening, and the new proposal from the Japanese Delegation had both been distributed to the Committee. He had given an account to the Committee of the conversations which he had had with members of the Japanese Delegation, in particular that when the Delegation had communicated to him these new proposals they had said that they had not received the approval of the Japanese Government, but that the Delegation made itself responsible for them. In these circumstances, the Committee, after hearing the President's statement, had decided that it did not feel able to discuss any fresh proposals pending the receipt of a reply from the Japanese Government to the definite question which they had been asked by the Committee on Wednesday last.²

M. Matsuoka stated that he quite understood this attitude of the Committee, but was it not somewhat over-correct? He had hoped that the Committee would at least take into consideration the new Japanese proposals which had been put forward by the heads of the Delegation as Plenipotentiaries, and therefore had almost equal validity as proposals made by the Government itself. He had stated as a matter of complete accuracy that the proposals had not been submitted to the Japanese Government. This was true, but he and the other members of the Delegation had pledged themselves to obtain the consent of that Government to them if the Committee of Nine-teen were prepared to accept them. If they failed to do so, they would, of course, resign.

¹ Cf. No. 224.

² January 18. Cf. No. 220, paragraph 3.

The President made it clear that there was not in the mind of the Committee any idea of throwing doubt on the powers of the Japanese Delegation. The Committee thought that, in order to clarify the situation it was necessary first of all to obtain an answer to their original question.

M. Matsuoka replied that he was certain that the answer would be in the negative. His Government had already sent a preliminary telegram in which it repeated all the reasons because of which it could not accept the original text of the Resolution and Statement of Reasons. But he expected that the telegram would contain instructions to the Delegation to continue to negotiate. In reply to a question from the President, M. Matsuoka declared that, in any case, he maintained the last proposals he had put in.

I said to M. Matsuoka that of course the delay was becoming serious, and that I thought that if no answer was received by to-morrow evening, the Committee might find it necessary, while not in any way closing the door finally to conciliation, the procedure as regards which only ceased when the Assembly adopted a report under paragraph 4 of Article 15, to proceed to consider the drafting of such a report.

M. Matsuoka made no observations on this remark but he repeated that he hoped that there would be a reply from his Government to-morrow, and that he trusted that as he and the other Delegates had plenipotentiary power the Committee would not refuse to examine the new draft which they had put forward.

E. D.

MM. *Avenol*:³

Sugimura:

Haas:⁴

*Vigier*⁵

Copy to M. Hymans.

³ Deputy Secretary-General of the League of Nations.

⁴ A Director in the League of Nations Secretariat. M. Haas had been Secretary-General of the Lytton Commission.

⁵ A French member of the Political Section of the League of Nations Secretariat.

No. 248

United Kingdom Delegate (Geneva) to Sir J. Simon (Received January 27)

No. 13 L.N. [F 620/33/10]

GENEVA, *January 25, 1933*

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

No. and Date
Sir E. Drummond.
20th January, 1933.

Subject
China & Japan
Record of conversation between the President
and Dr. Yen.

GENEVA, *January 20, 1933*

The President asked Dr. Yen to come and see him this evening. He explained to him that the Committee of Nineteen desired that he should be kept informed of what was passing. As he knew, the Committee had not thought it necessary to examine the Chinese amendments, since they were considering certain Japanese proposals on very fundamental points. The Japanese Government had put forward these proposals on Wednesday¹ in a covering letter in which they said that they took chief objection to the invitation of non-Members of the League to form part of the Conciliation Committee. The Committee of Nineteen had considered this point, and had come to the conclusion that it was difficult to press on an unwilling state participation and² settlement of the dispute of a state non-Member of the League. This being the case, they had asked the Japanese Government if they were met on this point if they would be prepared to accept in full the original text of the Resolution and Statement of Reasons. Up to now no answer had been received from the Japanese Government on the point. There was, however, one other question which had been raised, viz., the form in which the Statement of Reasons should be presented to the Assembly. The Committee had come to the conclusion that such a statement had better be made by the President, speaking on behalf and with the full authority of the Committee of Nineteen. This would enable the Japanese and Chinese Governments, if they so desired, to make reservations on any point in the statement.

Dr. Yen seemed rather alarmed at this idea, which he said must weaken considerably the force of the statement.

I pointed out to him, firstly that this procedure had been adopted when the Lytton Commission was despatched to China. There had been a statement of reasons made by the President of the Council for the adoption of the Resolution, and if any difficulties arose later as to the meaning of any particular passage in the Resolution, the statement had been regarded as the proper source of interpretation. Secondly, that the Committee had agreed that if the Japanese and Chinese Representatives alone made reservations, the President should say that he assumed that, as no other Member of the Assembly had spoken, he construed their silence to mean that they accepted the views of the Committee of Nineteen.

Dr. Yen said that he quite appreciated these points, but he still maintained his point of view that it would be a weakening of the original proposal since otherwise the Japanese would not have desired it. He said that the cardinal point of his Government was the question of the Manchukuo. If Japan intended to maintain the Manchukuo, then conciliation really became useless. Would it not be well to clear up this point once and for all before conciliation procedure was agreed to?

¹ January 18; cf. No. 220.

² This should presumably have read: 'in settlement'; cf. No. 250 below, enclosure.

It was pointed out to Dr. Yen that it was impossible at the present time to ask the Japanese Government to withdraw its recognition of the Manchukuo, but if all the other States Members of the League were pledged not to recognise, then a situation might arise during the conciliation negotiations in which Japan might reconsider her present attitude.

Dr. Yen did not seem to think this likely, and again indicated that his Government would regret any weakening of the original Resolution and Statement of Motives, which they already considered as insufficient, but he expressed his warm thanks to the President for the information which he had given him.

E.D.

MM. Avenol:

Haas:

Vigier:

Copy to M. Hymans

No. 249

United Kingdom Delegate (Geneva) to Sir J. Simon (Received January 27)
No. 10 L.N. [F 622/33/10]

GENEVA, January 25, 1933

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

<i>No. and Date</i>	<i>Subject</i>
Sir E. Drummond. 21st January, 1933.	China & Japan: record of conversation between Sir E. Drummond and M. Matsuoka.

ENCLOSURE IN No. 249

Record of Interview

GENEVA, January 21, 1933, 1.30 p.m.

M. Matsuoka came to see M. Hymans and myself this morning, and gave to us the following information:—

The Japanese Government had sent various instructions with regard to the question put to them by the Committee of Nineteen. The Japanese Delegation had, however, telegraphed yesterday informing the Government of the proposals they had submitted on their own initiative to the Committee of Nineteen, and the Japanese Government had replied approving their conduct. Therefore, the instructions which had come in were regarded by the Delegation as cancelled, the upshot being that the Japanese Government was not disposed to accept the original text as approved by the Committee of Nineteen, subject to the elimination of the invitation to non-Member States; that the proposals which the Japanese Delegation had submitted yesterday¹ were official proposals made by the Japanese

¹ See No. 235, paragraph 5.

Government; and, lastly, that the Japanese Government and Delegation were prepared to negotiate with regard to modifications of these proposals.

E. D.

MM. *Avenol:*

Sugimura:

Haas:

Vigier:

Copy to M. Hymans

No. 250

United Kingdom Delegate (Geneva) to Sir J. Simon (Received January 27)
No. 14 L.N. [F 619/33/10]

GENEVA, January 25, 1933

The U.K. Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned document.

No. and Date

Subject

Sir E. Drummond.

China & Japan

21st January, 1933.

Record of interview between M. Matsuoka and the President.

ENCLOSURE IN No. 250

Record of Interview

GENEVA, January 21, 1933, 8 p.m.

M. Matsuoka came to see the President this evening, and the President communicated to him the decisions of the Committee of Nineteen.¹ M. Matsuoka was much perturbed, and said that he did not understand the reasons for which the Committee of Nineteen had rejected the Japanese proposals. In the first place, the Japanese Government did not consider that the elimination from the proposals of the Committee of Nineteen of the invitation to non-Member States was a concession in any way. The Japanese held that constitutionally it was not possible to invite non-Member States to participate in conciliation.

We remarked that surely if two parties agreed to such an invitation, the Covenant allowed of this being effected.

M. Matsuoka said that certainly it could not be effected against the will of one party—to which proposition we assented—but he added that he doubted whether an invitation was constitutional, even if both the parties agreed to it.

It was decided not to pursue discussion of this point further.

M. Matsuoka said that he would like to put a hypothetical question—what position would the Committee of Nineteen have taken up if the Japanese Government had agreed in full to the draft which the Delegation had

¹ See No. 233.

telegraphed to them on Saturday last² (viz., that resulting from the conversations between M. Sugimura and the Secretary General)?

I replied that this was a hypothetical question which I could not answer, since, as a matter of fact, the draft had never been placed before the Committee as proposals of the Japanese Government.

M. Matsuoka admitted that this was so, but he said that the only change in that draft had been the elimination of the invitation to non-Member States.

I answered that, if the elimination of the invitation had been proposed to me during the conversation, I should have been compelled to advise that the Committee of Nineteen could hardly accept the other amendments proposed, but that, in order to make the situation quite clear, it would be better if His Excellency would read the communiqué which had been issued,³ and which gave an accurate and complete account of the position taken up by the Committee of Nineteen.

M. Matsuoka said that he regretted very much that the Committee felt bound to state that it was considering drafting a report. The effect of this in Japan would be serious, and he wished to say that his Government would never yield to force.

The President replied that there was no question of force, and, indeed, it was clear from the communiqué that the road to conciliation was still open.

On M. Matsuoka pressing us as to the points to which the Committee attached most importance, the President replied that the two main points were,

(1) the total acceptance of the principles laid down in Chapter 9 in the Lytton Report as the basis of conciliation, and

(2) the maintenance of the last paragraph in the Statement of Reasons.

M. Matsuoka said that the Japanese Government had made it clear from the very beginning that they were not prepared to go back in any way on the position which they had taken up as regards recognition and maintenance of the Manchukuo.

I remarked that surely this was not consistent with the acceptance of the Japanese Government of all the principles in Chapter 9.

M. Matsuoka said that it was for this reason that they had asked for something to be added on the realities of the situation.

We then gave His Excellency a copy of the communiqué, which he took away, and said that he would study very carefully. His Excellency said that he feared that the result of this might be that Japan would say 'goodbye'—a result which he, personally, strongly wished to avoid.

The President said that we all wished to avoid this result, and he hoped that conciliation would still be possible.

E. D.

MM. *Avenol:*

Sugimura:

Haas:

Vigier:

Copy to M. Hymans.

¹ January 14.

³ Cf. No. 235, note 10.

No. 251

United Kingdom Delegate (Geneva) to Sir J. Simon (Received January 27)
No. 15 L.N. [F 618/33/10]

GENEVA, January 25, 1933

The United Kingdom Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned paper.

<i>No. and Date</i>	<i>Subject</i>
Sir E. Drummond. 21st January, 1933.	China & Japan Interview between Dr. Yen and the President.

ENCLOSURE IN No. 251

Record of Interview

GENEVA, January 21, 1933, 8 p.m.

Dr. Yen came to see the President this evening and the President explained to him what had happened in the Committee of Nineteen.

Dr. Yen said it was very regrettable that the efforts at conciliation had failed. He was given a copy of the communiqué¹ which the President said contained the essential facts of the proceedings at to-day's meeting.

Dr. Yen on reading it asked if it would not be possible to publish the Japanese proposals, as otherwise the public would not know what they were, and further, the Chinese Delegation would like to have an opportunity of considering them.

The President replied that we had no authority to make any such publication, and he doubted whether it would be really in the interests of possible conciliation that these proposals should now be published.

Dr. Yen had no doubt learned from the Japanese Press the main points on which Japan was insistent, and these concerned chiefly the principles set out in Chapter 9 of the Lytton Report, and questions relating to the Manchukuo, and he thought, therefore, that there was really no need for publication of the Japanese proposals to take place.

E. D.

MM. Avenol:

Haas:

Vigier:

Copy to M. Hymans

¹ Cf. No. 235, note 10.

No. 252

Mr. Patteson (Geneva) to Sir F. Lindley (Tokyo)
No. 1¹ Telegraphic [F 631/33/10]

GENEVA, *January 26, 1933*

Following from Secretary of State.²

Mr. Matsuoka and Mr. Madsudaira [*sic*] saw me today. They are still apparently hoping to take advantage of the opportunity which still remains of finding a way of reaching agreement as to a committee of conciliation elected . . .³ committee of 19 is now considering terms of its report. The former declared that Japan no longer objected to reference to the Covenant, Mr. Kellogg's Pact and the Nine Power Treaty in proposed resolution but that Japanese Government still objected to reference in covering statement to proposition of Lytton report that recognition of Manchukuo would provide no solution. I urged that Japan reconsider the suggestion of contenting herself with entering her reservation when voting resolution especially since covering statement does not purport to state the views of parties and does not require to be voted. I gathered that Mr. Matsuoka was urging this course on his government. It is the only remaining prospect of securing conciliation and I pointed out that if conciliation fails and a report is made by the League exactly the same position will arise so there should be less difficulty in Japan taking the course suggested now.

If Japanese Government wish to make a final effort for conciliation this is the only method open to them and it would entail raising of no further objections to the terms of resolution other than inclusion of non-members of the League.⁴

Repeated to Foreign Office for repetition to Peking.

¹ Repeated as No. 25 L.N. to the Foreign Office (received at 1.30 p.m. on January 27).

² Sir J. Simon had arrived in Geneva on January 25; he returned to London on January 27.

³ The text is here uncertain.

⁴ In a more detailed account of this interview (in Geneva despatch No. 20 of January 27 to the Foreign Office, received January 30), Sir J. Simon said that he had asked Mr. Eden to be present, and remarked that 'Mr. Matsuoka adopted a much more subdued attitude than had characterised him in the first interviews at Geneva, and it seemed to us that both he and Mr. Matsudaira felt that the Japanese Government really was making a mistake and that they regretted it'.

No. 253

Sir R. Vansittart to Sir M. Lampson (Shanghai)
No. 4 Tour. Telegraphic: by wireless [F 544/290/10]

FOREIGN OFFICE, *January 27, 1933, 1 p.m.*

Your telegram No. 4 (tour)¹ (of the 14th January) and Peking telegram No. 44² (of the 11th January. Protection of British Interests in North China).

¹ No. 205.

² No. 199.

I concur.

You should authorise H.M. Consul-General at Tientsin to inform Kailan Mining Administration as proposed in Paragraph 5 of Peking telegram above referred to. Safety of Company's personnel can only be assured by the issue of a warning by H.M. Consul-General, if developments in the situation render this step advisable, in sufficient time to enable them to withdraw. It should further be made clear to Company, if it is found necessary to issue such a warning, that the situation prohibits the despatch of any troops to assist in their withdrawal.

As regards the suggested intimation to British firms at Tientsin, this should be given at your discretion provided the G.O.C. and the C. in C. concur.

Admiralty and War Office are in general agreement with the views expressed in the two telegrams under reference.

No. 254

Sir M. Lampson (Shanghai) to Sir J. Simon (Received January 28, 9 a.m.)

No. 11 Tour. Telegraphic: by wireless [F 650/18/10]

SHANGHAI, *January 27, 1933*

Japanese Minister states that it is not part of Japanese policy to get drawn inside the great wall. Occupation of Shanhaikuan is only temporary measure in connexion with liquidation of Jehol.¹ As to latter Japanese government hoped to settle it diplomatically rather than by force: but he indicated clearly that they regarded Jehol as part of Manchukuo and meant to have it. He is apprehensive over concentration of over 100,000 Chinese troops in and around Tientsin and fears there would be an incident near there: but realises difficulty of Chang Hsueh-liang's position who is criticised from behind for being weak and from in front for provoking resistance. Chang Hsueh-liang had explained all this personally to minister when in Peking.

2. Japanese Minister considers Chiang Kai-shih [*sic*] has gained greatly in power and has told Japanese government that his fall would be most unfortunate.

3. I informed minister that at present stage of Shanghai problem . . .² we in concert with other interested colleagues aspire to extension by exchange of notes and not revision,³ meanwhile concentrating on practical improvement in course of procedure. I might be signing notes with Minister for Foreign

¹ A British Military Intelligence telegram of January 26 from Shanghai to G.O.C. Hong Kong (copy received in the Foreign Office on January 30) reported the Japanese Military Attaché as saying that the Japanese Shanhaikuan garrison might shortly be reinforced, and that Japanese troops in Chinchow would require large reinforcements before the invasion of Jehol could be attempted.

² The text is here uncertain.

³ The reference is to the Agreement of February 17, 1930, relating to the Chinese Courts in the International Settlement at Shanghai (printed in Cmd. 3563 of 1930), which was due for extension or renewal on or before March 31, 1933; cf. Volume VIII, No. 242, and Volume X, No. 233.

Affairs during visit to Nanking next week⁴ and if so would send him copies. Minister made no . . .⁵ whatever his instructions were to participate in *negotiations* but as there would be none that would not arise, he would follow our lead as to taking up specific cases that required improvement of course of procedure.

Repeated to Peking, Tokyo and Commander-in-Chief.

⁴ Notes providing for the renewal of the Agreement of February 17, 1930, were signed and exchanged at Nanking on February 8, 1933 (see *B.F.S.P.*, vol. 136, pp. 462-4). Mr. Ingram signed on behalf of Sir M. Lampson who had left Nanking the previous day.

⁵ The text is here uncertain. It was suggested on the filed copy that the text should here read: 'made no comment whatever. His instructions'.

No. 255

Mr. Patteson (Geneva) to Sir J. Simon (Received January 28)

No. 10 Saving L.N. Telegraphic [F 653/33/10]

GENEVA, January 27, 1933

My telegram No. 21.¹

Following from Mr. Eden:

Drafting Committee held two long meetings today and agreed that there should be only one report, namely report under Paragraph 4.² The Committee adopted my suggestion that this Report should consist of Part I, Events in the Far East with historical background, Part II, action taken at Geneva ending with breakdown of conciliation, Part III, conclusions and Part IV, recommendations. Committee further agreed that for Part I they should adopt as their own the first eight chapters of the Lytton Report, and that Parts II and III should be based on the drafts already prepared by Secretariat. The Committee completed their examination of drafts of first three parts, a few points however being reserved for further consideration. Next meeting of Committee will be held early next week.

¹ No. 244.

² Of Article 15 of the Covenant of the League of Nations.

No. 256

Memorandum by Mr. Bowker¹

[F 1130/923/61]

FOREIGN OFFICE, January 27, 1933

Export of arms to China and Japan

At the present moment there is no embargo on the sale and export to China and Japan of either Government-owned arms or arms manufactured by private firms.

During the recent Sino-Japanese hostilities at Shanghai, it was decided that it would be contrary to the obligations of neutrality devolving upon

¹ A Second Secretary in the Foreign Office, attached to the Far Eastern department.

His Majesty's Government to release stocks of Government-owned arms for re-sale to either of the disputants, who, though no war had been declared, were actually in a *de facto* state of warfare. Effect was given to this decision and the embargo on Government-owned arms was maintained until the signature of the Sino-Japanese Armistice.

The question was also raised as to whether, at the same time, licences should be refused for the export of arms by private firms to either China or Japan. The principle on which this question was considered was that the duty of neutrality does not forbid the sale of ammunition by the subjects of the neutral, but that the issue of export licences which are required in this country involves a certain degree of official responsibility: the responsibility is however, technical, and the governing consideration in determining whether licences should be granted is whether it would have a good or bad effect on relations between His Majesty's Government and the Government of the country concerned.

It was decided not to refuse licences for the following reasons:—

- (a) An embargo on the export of arms from this country alone would simply result in diverting orders from English to foreign firms. To be effective in its purpose of preventing the supply of arms to China and Japan an embargo would have to be generally applied by all the arms manufacturing countries of the world. Such united action would be extremely difficult to secure, particularly in view of the fact that it would be necessary to obtain the co-operation of the United States of America and Russia, who were not members of the League.
- (b) Since Japan has greater facilities for manufacturing her own arms than China, a universal embargo on the export of arms to China and Japan, even if it were effectively to stop the supply of arms to the two countries from outside, might in practice place upon them an unequal handicap, with the risk that China might plead that the embargo favoured Japan. His Majesty's Government were naturally anxious to avoid taking the initiative in a matter likely to raise considerable contention at a time when the Sino-Japanese dispute was under consideration by the League of Nations.

No. 257

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 28, 12.45 p.m.)
No. 31 Telegraphic [F 652/33/10]

TOKYO, January 28, 1933, 7.18 p.m.

Geneva telegram No. 1¹ received today.

I called on Minister for Foreign Affairs this afternoon and told him that I had no instructions but was anxious to do what I could to help agreement. We then discussed your conversation of which he had received report which did not altogether agree with yours.

¹ No. 252.

Minister for Foreign Affairs who had been all day in the Diet said that your report might prove very helpful. He would compare it carefully with his own and see if some way could not yet be found for continuing conciliation. He believed there were other difficulties besides objectionable paragraph at the end of statement of reasons.

I told Minister for Foreign Affairs that I should be at his service any time tomorrow, Sunday, if he wished to see me.

Repeated to Peking.

No. 258

Sir M. Lampson (Shanghai) to Sir J. Simon (Received January 28, 3.15 p.m.)
No. 14 Tour. Telegraphic: by wireless [F 658/83/10]

SHANGHAI, January 28, 1933

Mayers' memorandum of November 21st.¹

I propose to discuss railway loans in arrears with Chinese Government next week. Amount involved is something over £11,000,000.²

2. Boothby of British and Chinese Corporation has asked me on urgent instructions from home to make special request for immediate resumption of payments on account of advances in respect of rolling stock for Nanking-Shanghai Railway and for services for preliminary construction and other services for Nanking-Hunan Railway and (? Pukow) Sinyang Railway amounting roughly to a total of £11,000 per mensem. Corporation are being pressed by the Hongkong and Shanghai Bank to whom they are indebted for funds advanced.

3. While I recognise the special difficulty of the Corporation I feel that Chinese Government might seize the opportunity to agree to resumption of payment of this small sum as a gesture of sincerity leaving in abeyance very much larger amount in arrear in respect of other loans. I also feel considerable doubt—and so informed Boothby—whether I should be justified in picking out these items for preferential treatment. I am therefore reluctant to take action requested by Boothby but would like to have your views.

4. It will be remembered that it was Mayers himself who urged taking up informally the whole question of railway indebtedness.

Repeated to Peking.

¹ Not printed (F 8188/2/10). Sir M. Lampson recalled in his despatch No. 217 of February 18, 1933 (received in the Foreign Office on April 8) that he had attended a conference at the Foreign Office in November 1932 on the subject of Chinese railway debts, at which Mr. Mayers (Chairman of the British & Chinese Corporation, Ltd., London), Mr. Bernard (of Messrs. Jardine Matheson & Co. Ltd.), and Mr. Orde also assisted. Mr. Mayers was asked to expound the grievances and proposals of the bondholders in a memorandum.

² On February 7 Sir M. Lampson handed to the Chinese Minister for Foreign Affairs an *aide-mémoire*, based partly on Mr. Mayers's memorandum, which stated that British claims against the Chinese Government in respect of railway loans and advances amounted to £11,414,673. 17s. 0d. (A copy of this statement was sent to the Foreign Office as enclosure in Sir M. Lampson's despatch No. 217, *op. cit.*)

No. 259

Sir R. Lindsay (Washington) to Sir J. Simon
(Received January 30, 5 p.m.)
No. 63 Telegraphic [F 673/18/10]

WASHINGTON, January 30, 1933, 10.47 a.m.

Your telegram No. 50.¹

State Department informed.² Under Secretary of State said that their enquiry and their uncertainty as to desirability of representations to Japanese are prompted by following consideration. The Four Power Agreement arising out of Boxer Protocol³ forbids Chinese to have troops within two miles of Tientsin-Peking railway or within six miles of Tientsin itself. They apprehend therefore possibility that representations to Japanese may evoke invitation from the latter to make Chinese on their side abide by their undertaking.

¹ Of January 27, not printed. This telegram was the Foreign Office reply to the U.S. Government's request of January 24 for further information as to the British Government's views and intentions in the matter of alleged Japanese abuse at Shanhaikuan of privileges under the Boxer Protocol, as outlined in Foreign Office telegram No. 36 of January 23 to Washington (see No. 236, note 3; see also *F.R.U.S. 1933*, vol. iii, pp. 122-3). It explained that the object of the representations to the Japanese Government outlined in Foreign Office telegram No. 36 'would be to remind them that other Powers are interested in maintenance of protocol and to avert possibility of its being abused and of opening being given to Chinese to argue that it had been torn up with acquiescence of other signatories'. The telegram continued: 'Effect on Japanese is a matter of speculation but it does not appear to us that any harm would result and above object would be achieved at any rate in part.' Sir R. Lindsay was instructed to communicate with the State Department in the above sense, and was told that the U.S. Embassy had been informed orally.

² The British Embassy's *aide-mémoire* of January 28 to the State Department is printed *ibid.*, p. 136.

³ The reference appears to be to the identic notes addressed to the Chinese Government on July 15, 1902, by representatives of Great Britain, France, Germany, Italy and Japan; cf. No. 188, paragraph 2.

No. 260

United Kingdom Delegate (Geneva) to Sir J. Simon (Received February 1)
No. 28 L.N. [F 715/33/10]

GENEVA, January 30, 1933

The U.K. Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the under-mentioned document.

<i>No. and Date</i>	<i>Subject</i>
Delegation memorandum:	China & Japan:
Sir J. Pratt	Assembly Report under Article XV,
30th January, 1933.	paragraph 4.

ENCLOSURE IN NO. 260
Memorandum by Sir J. Pratt

GENEVA, January 30, 1933

The Draft Report under Article XV, paragraph 4

1. The Assembly's Report under Article XV, paragraph 4 as it is now taking shape in the Drafting Committee will fall into four Parts which may conveniently be labelled as follows: Part I events in the Far East and historical background; Part II action at Geneva; Part III conclusions; Part IV Recommendations. We have succeeded in getting Parts I and II drafted in accordance with our wishes, but there are serious difficulties to be faced in Parts III and IV.

2. Part III has already been considered in the Drafting Committee but no attempt has yet been made to draft Part IV. It is not possible to reach a final decision on Part III until we know what Part IV will contain as inadequate treatment of any point under Part III might possibly be corrected by fuller treatment under Part IV. Part III in its present form states the Assembly's conclusions on China's sovereignty over Manchuria; the tradition of autonomy in Manchuria; the Chinese population of Manchuria and Japan's special position there; the mutual grievances and state of tension before September 18th 1931; China's state of disorder and the anti-foreignism manifested in the boycott and the teaching in the schools; the boycott; the failure to follow Article XII of the Covenant; self defence; the creation of Manchukuo not as the spontaneous act of the people but as a tool of Japan. Part III ends up with a few paragraphs not stated as conclusions but which are in effect conclusions; for example, that before September 18th 1931, responsibilities were divided but that after that date no responsibility rests on China. These paragraphs contain a reference—in somewhat nebulous language—to Articles 10 and 12 of the Covenant.

3. Part III nowhere states in unequivocal language that Japan has broken Article X of the Covenant and other treaties which bind her to respect and preserve the territorial integrity of China, and Article XII which binds her to submit disputes to the League. Although it seems unlikely that this defect can be remedied in Part IV of the draft no objection has so far been raised on this ground to Part III either in the Committee of Nineteen or in the Drafting Committee.¹ The passage in the draft which states that the actions of the Japanese military were not legitimate measures of self-defence is whittled down by the addition of a sentence to the effect that the Japanese officers concerned may have thought they were acting in self defence and even to this no objection has been raised.² If the Assembly's report shows any hesitation or vacillation in pronouncing a judgment on the moral issues

¹ A marginal comment at this point by Mr. Orde reads: 'The Irishman has now done so, but the Committee of 9 stick to their draft. C. W. O. 2/2.' Cf. No. 266 below.

² A marginal comment at this point by Mr. Orde reads: 'The Lytton report said the same. C. W. O.'

involved it may seriously impair the moral authority of the League in this and in future disputes.

4. Apart from questions of arrangement etc., two important points in the present draft of Part III have been reserved for further consideration. The first is a suggestion by the Swedish representative that in connection with the question of self defence the Assembly should lay down the principle that no State can be the sole judge of what constitutes legitimate self defence. The point is dealt with at some length at pages 22–25 of the Observations of the Japanese Government of November 19th 1931,³ (C 775), where reference is made to the correspondence that passed in 1928 in connection with the Pact of Paris. It seems probable that the Swedish representative's suggestion will be negatived.

5. The second point reserved is one of extreme difficulty that will require careful consideration. Part III of the draft contains the following paragraph relating to the boycott:—

'The use by the Chinese of the weapon of boycotting to manifest their indignation at certain incidents or to support certain claims cannot fail to aggravate a situation which is already tense by driving the nationals of the Power against which the boycott is directed to ask effective protection from their Government. Moreover the setting in motion of measures of boycotting, with the assent and even the support of the Nationalist Party and the Chinese Government, is in itself an unfriendly act resort to which is scarcely compatible with the principles of international cooperation and good understanding laid down in the Covenant. While boycotting must be condemned as a means of pressure for the settlement of a dispute it cannot however be regarded as illicit against a Power which itself has resorted to military force'.

It is the last sentence that gives rise to the difficulty and it seems impossible to find any alternative form of words that does not convey the impression that in carrying on an anti-Japanese boycott since September 18th, 1931, the Chinese have not done anything to which exception can justly be taken.

6. At first sight it seems difficult to deny that in the face of military aggression such as that to which China has been subjected the Chinese are not entitled if they choose to refuse to buy Japanese goods. On juridical and even on moral grounds that would appear to be an unassailable proposition. Nevertheless in view of the methods employed in Chinese boycotts and the consequences to which they lead it might be very dangerous for the League to say anything that might be interpreted by implication as approval of *any* Chinese boycott. In Chapter VII of the Lytton Report and at pages 208–250 of the Volume of Supplementary Documents will be found instructive details of the nature of Chinese boycotts. We may add to these a recent case at Canton where four Chinese merchants were arrested and shot for dealing in Japanese goods. The Japanese Consul General demanded explanations

³ i.e. the Observations of the Japanese Government on the Lytton Report sent to the President of the Council of the League of Nations by the Japanese delegate on November 18, 1932; cf. No. 49, note 3.

and, according to the 'Times' of January 28th, 'after many days' vacillation the Mayor of Canton has informed the Japanese Consul that the four men recently executed were bandits who had been trafficking in arms. The Mayor denied that the National Salvation Society was imposing the death sentence on persons who violated the boycott of Japanese goods.' It was similar incidents at Shanghai in January 1932 that were the immediate cause of the Japanese descent upon that Port.⁴ As the League is powerless to protect China against attacks of that sort the League should be careful to abstain from encouraging China to provoke them. The Lytton Report shows that by methods analogous to the boycott the Chinese very nearly succeeded in ruining Japanese economic interests in Manchuria and in undermining her special position there while the Japanese have made great play with the argument that in similar circumstances in 1927 the United Kingdom Government informed the League that 'His Majesty's Government deeply regret that there does not appear to be any way in which the assistance of the League in the settlement of the difficulties in China can be sought at present.'⁵ If, therefore, the Assembly lays down the doctrine that in the face of military aggression which cannot be checked the boycott is a legitimate weapon it will come very near to admitting by implication the truth of the converse doctrine that in the face of a boycott that cannot be stopped armed force is a legitimate weapon.⁶

7. The peculiar conditions prevailing in China are an additional reason why the Assembly should pause before deciding to legitimise *any* Chinese boycott. Force has frequently to be displayed and sometimes even used to save the lives of foreign individuals or communities in China. If it happened to suit their policy for the moment the Chinese would not hesitate to claim that this was military aggression that justified a boycott. Under various treaties the foreign Powers maintain armed forces at various points on Chinese soil and vessels of war in Chinese rivers. The Chinese claim that these treaties having been imposed by force are as invalid as the treaties concluded in 1915 with Japan in consequence of the twenty-one demands.⁷ They might at any moment claim that the presence of these forces and these vessels was aggression justifying a boycott.

8. Finally there has to be considered the possible effect in the case of other disputes such, for example, as the present dispute between Peru and Colombia.⁸ It would be unfortunate if, in the case of such an act of aggression as

⁴ Cf. Volume IX, Chapters II and III.

⁵ A quotation from a letter of February 8, 1927, from Sir A. Chamberlain, at that time Secretary of State for Foreign Affairs, to the Secretary-General of the League of Nations; see *L.N.O.J.*, March 1927, p. 293, cf. *L.N.O.J.*, *S.S. No. 111*, p. 30.

⁶ A marginal comment at this point by Mr. Orde reads: 'need we object to this?'

⁷ A marginal comment at this point by Mr. Orde reads: 'They have not said so officially, I think. Certainly not with the emphasis they use about the 1915 treaties.' For the text of these treaties, see *B.F.S.P.* vol. 110, pp. 791 ff.; cf. *The Sino-Japanese Negotiations of 1915* (Carnegie Endowment, Washington, 1921).

⁸ For the 'Leticia dispute' see *F.R.U.S.* 1932, vol. v, pp. 270-315 and 1933, vol. iv, pp. 384 ff. The dispute had been placed formally before the League on January 24, 1933.

that committed by Peru, the Colombian Government were to act upon the doctrine that the course that she was entitled to, and indeed should properly, take was to cut off all Peruvian trade and boycott every Peruvian found in Colombian territory. Such action, increasing both the bitterness of the dispute and the area affected, would greatly increase the difficulties of settling any such disputes in future.

9. Whether the above considerations would lead the Committee to omit the final sentence of the paragraph in the draft Report quoted in Paragraph 5 above it is difficult to say for the matter has not yet been fully argued out. There is a strong feeling in the Committee that the Report should explicitly not condemn the boycott after September 18th 1931. It is possible however that they might be induced to agree to omit the sentence in question if the considerations put forward in paragraphs 5 to 8 above were reinforced by the argument that on all these moral issues such as the boycott, military aggression, Article X and Article XII etc., etc. the Assembly's Report should pronounce its judgment in simple and unequivocal language and not weaken the force of such judgments by admitting exceptions, wrapping them up in vague language or whittling them away in any other way. If we advocate this course in regard to Japan it may make the Committee more ready to adopt the view advocated in this memorandum in regard to China.⁹

⁹ A note of February 3 by Sir V. Wellesley said that he and Mr. Orde had discussed Sir J. Pratt's memorandum and had agreed on certain conclusions minuted as follows by Mr. Orde. Mr. Orde considered that Sir J. Pratt's proposition that it would make no difference whether the condemnation of Japan was open or veiled was 'very doubtful'. 'It may make all the difference between Japan leaving the League or not. Further a lead by us in favour of open condemnation is likely to make all the difference between strong Japanese resentment against us which may lead to immense damage to our interests in the Far East, and the merely negative feeling that we have forfeited the gratitude which Japan feels at present for our efforts at Geneva. This danger seems to outweigh the advantages to be derived from a definite lead by us in the sense suggested; but we should, it is submitted, be willing to associate ourselves with an open condemnation if this is the general sense of responsible members of the League. For us to stand out alone would completely undermine our position in China.' Mr. Orde thought that there 'seems much more to be said' with regard to non-recognition, the point on which Mr. Eden was concentrating (cf. No. 270 below). 'It is the central point for the Chinese and also for the U.S. Government, and there would, it is suggested, be no objection to a firm declaration so long as it is not of a completely irreversible character.'

No. 261

Mr. Patteson (Geneva) to Sir J. Simon (Received February 1, 12.55 p.m.)
No. 40 L.N. Telegraphic [F 731/33/10]

Immediate GENEVA, January 31,¹ 1933, 11.35 a.m.
My immediately preceding telegram.²

I

Following is text: Number 6,³ use of boycott by Chinese before events of September 18th 1931 to express their indignation at certain incidents or to support certain claims cannot [could not] fail to aggravate a situation which is [was] already tense.

After September 18th 1931 use of boycott by China partook of the nature of reprisals. Resort to force explains application of forcible measures even of a different and less violent character.

II

Following is text of conclusion Number 8; without excluding possibility that Japanese officers on the spot may have thought they were acting in self-defence during the night September 18th–September 19th, 1931 assembly cannot regard military operations by Japanese troops during that night at Mukden and other places in Manchuria as legitimate self-defence. Indeed military action of Japan taken as a whole in the course of dispute cannot be considered as legitimate defence and in any case measures of legitimate defence cannot free the state which adopts them from complying with provisions of article 12.⁴

¹ This date is probably in error for February 1.

² No. 264 below.

³ This should probably have read: 'Following is text of conclusion Number 6;' cf. section II below.

⁴ Of the Covenant of the League of Nations.

No. 262

Sir F. Lindley (Tokyo) to Sir J. Simon (Received January 31, 10.35 a.m.)
No. 33 Telegraphic [F 709/33/10]

TOKYO, January 31, 1933, 4.55 p.m.

Vice Minister for Foreign Affairs¹ whom I saw by chance yesterday informed me that Japanese Government had come to the conclusion that Japanese reservation regarding independence of Manchukuo would not meet the case and that they also feared that principle that negotiations with China be carried on without interference from outside [? would] be compromised. Unless these two points were satisfactorily settled Japanese Government would prefer matter to be settled under paragraph 4 since they would then have no responsibility and could not be held later to have agreed to course which in fact they could not accept.

¹ Mr. H. Arita.

In the course of further conversation Vice Minister for Foreign Affairs repeated that Japanese would have to leave the League of Nations if resolution by Assembly were too condemnatory. Withdrawal of delegation would not meet the case.

Minister for Foreign Affairs has gone to visit Prince Saionji today² and it is believed final instructions to Geneva are about to be sent.

Repeated to Peking.

² According to Sir F. Lindley's despatch No. 67 of February 3 the visit took place on January 30. Prince Saionji was the last surviving member of the body of Japanese elder statesmen known as the Genro.

No. 263

*Sir J. Simon to Sir M. Lampson (Nanking)*¹

No. 5 Tour. Telegraphic [F 658/83/10]

FOREIGN OFFICE, *January 31, 1933, 5.30 p.m.*

Your tel. No. 14² (of Jan. 28th. Chinese railway debts).

We must clearly be careful not to couple representations in regard to particular debts with rep[resentatio]ns on general question unless right to priority is beyond criticism. It would be better therefore not to make a special point at this moment of debts mentioned except possibly rolling stock debt if you are satisfied that this was for running expenses and not for capital equipment, though even so any other similar debts ought not to be prejudiced.

¹ Sir M. Lampson had left Shanghai for Nanking on January 30.

² No. 258.

No. 264

Mr. Patteson (Geneva) to Sir J. Simon (Received February 1, 1.30 p.m.)

No. 39 L.N. Telegraphic [F 730/33/10]

Immediate

GENEVA, *February 1, 1933, 11.35 a.m.*

My telegram No. 10 Saving.¹

Following from Mr. Eden:—

1. Drafting Committee met today² and considered draft of January 30th copy of which was sent to Foreign Office by bag yesterday.³ Attempts were made to shorten and improve part 2 but chief difficulty arose over question of boycott. All agreed that boycott before September 18th 1931 should be condemned but some members insisted that this must be balanced by a statement that boycott after that date should be excused on the ground that it was passive resistance to armed intervention and as such legitimate. I argued that no boycott as practised in China should be pronounced legitimate. After long discussion committee agreed to text contained in my

¹ No. 255.

² This telegram was drafted on January 31.

³ Cf. No. 260.

immediately following telegram.⁴ This solution however may not satisfy committee of nineteen at which discussion may be reopened. I should be glad to learn whether I was right in arguing against any direct condonation of boycott even as retort to armed intervention or whether if I am pressed I may give way at all on this point.⁵

2. Perhaps most important problem with which we shall now be faced is whether we are to say definitely that Japan has violated covenant. At present this only appears faintly by implication from last sentence of new draft conclusion No. 8 (text of which is contained in my immediately following telegram) and from penultimate paragraph of part 3 of draft of January 30th. I anticipate that we shall be asked to say this explicitly. If we do so and if China could plausibly declare herself to be in a state of war with Japan it will be argued that this would warrant application of article 16 of covenant and if called upon to apply it we might have difficulty in denying that the occasion had arisen. I fear we might ultimately be placed in the same situation if we merely imply a breach of covenant because if in that case China similarly declared herself in a state of war and appealed to Council as to whether there was or was not a breach of article 12 it is difficult to see how Council could deny breach. The only difference would be that we should have failed to state our convictions frankly.

3. On the other hand Secretary General is against any plain condemnation at this stage. His reason is that this leads straight to article 16. I am aware that we cannot apply article 16 but I fear his alternative might lead there equally by another route and that we should merely earn discredit on the way.

4. In connexion with conclusion 11 we shall certainly be pressed hard to agree to some declaration of non-recognition of Manchukuo. This may be only in terms of paragraph at top of page 128 of Lytton Report which could not be resisted but some delegates may wish to go further and secure formal expression of definite refusal to recognise. If this cannot be successfully resisted would it be possible to agree to a simple declaration of fact that in the opinion of Assembly Manchukuo as at present constituted will not be recognised.

5. I am aware that it is argued that we cannot surrender sovereign rights but does not every international undertaking involve some limitation on the

⁴ No. 261.

⁵ Mr. G. G. Fitzmaurice, Third Legal Adviser to the Foreign Office, minuted as follows: 'From the legal point of view it seems to me that the statement as set out in the first part of League of Nations telegram No. 40 [No. 261] is substantially correct. My view, as you probably know, has all along been that while the Japanese no doubt had provocation from China, such provocation was not sufficient to justify legally the extreme and forcible measures which the Japanese proceeded to take in Manchuria. In consequence of this I have always thought that from the strictly legal point of view their attack on China was wholly illegitimate. In my view, therefore, the Chinese were faced with an illegitimate act of aggression in regard to which they were entitled to take any legitimate measures of self-defence, amongst which may be numbered the economic boycott or, if you like, their boycott may be justified as an act of reprisals in return for an illegal act of aggression committed against them . . . G. G. Fitzmaurice 2nd February, 1933.'

exercise of those rights? And if all members of the League join in making declaration is there any risk in accepting it compared with that which we run in offering solitary opposition to general desire? I learn that Chinese delegation are conducting an active propaganda to the effect that we are taking the lead in preventing any statement regarding non-recognition being inserted in report although question has not yet even arisen. I am also informed by Reuter that anti-British agitation is in consequence growing stronger in Nanking. I shall be grateful for instructions on this point as soon as possible.

Please repeat to Tokyo and Peking.

No. 265

Sir M. Lampson (Nanking) to Sir J. Simon (Received February 1, 10.45 a.m.)
No. 18 Tour. Telegraphic [F 712/33/10]

Immediate

NANKING, February 1, 1933, 1.55 p.m.

Reuter's messages from Geneva prominently feature allegations (apparently emanating from Chinese delegation) that we are bringing pressure to bear on other delegations not to adopt too definite a line over non-recognition of Manchukuo etc. And there continue to be the crudest inferences here that from motives of self interest we are in secret agreement with Japan even dating back to Shanghai negotiations of last spring.

2. I am missing no opportunity to counter this but undoubtedly it is having some effect. I feel it right that you should know what is being said not only because of political bearing but because of possible repercussion on our trade prospects. Since my return and throughout my southern tour I have been concentrating on encouraging orders for British manufacturers emphasising that we have no political ambitions whatever beyond desire for *united* and prosperous China so that trade between our two countries may increase and prosper; especially at a time of world crisis such as the present.

3. With submission would it be possible for us not to figure too prominently in any attempt at Geneva to deal leniently with any proved contravention by Japan of covenant? Apart from consideration mentioned above moral position of League is at stake and will be most gravely affected in China at least unless precepts of covenant are maintained. There is now general recognition here that material support cannot be expected from Geneva: but moral support is certainly looked for with some confidence.

Repeated to Geneva by Foreign Office, telegram No. 1.

No. 266

Mr. Patteson (Geneva) to Sir J. Simon (Received February 1, 6 p.m.)
No. 42 L.N. Telegraphic [F 732/33/10]

GENEVA, February 1, 1933, 6 p.m.

Following from Mr. Eden.

My telegram No. 39.¹

Drafting committee met again this morning to consider suggestions contained in letter from the Irish Free State representative. The only important suggestion was that the report should state definitely that one of the parties had failed to comply with Article 12. The committee decided to leave the passages in Part 3 dealing with Article 12 as at first drafted and to wait for this question to be raised, if it must be, at the Committee of Nineteen.

Final texts of the first three parts of draft report will not be ready till Saturday² but objections were raised to any preliminary discussion of recommendations by the drafting committee. Secretariat will therefore distribute January 30th texts of Parts 1 and 2 and final [*sic*]³ text of Part 3 and on this basis the Committee of Nineteen will meet February 3rd to discuss recommendations. I should be grateful for instructions asked for in my telegram under reference before that date.

¹ No. 264.

² February 4.

³ Possibly in error for 'first'. A 'draft of Part III (conclusions) as circulated to Committee of 19 on February 2nd, 1933' was received in the Foreign Office on February 6 under Geneva despatch No. 30 of February 3 which referred to the above telegram No. 42.

No. 267

Sir J. Simon to Sir F. Lindley (Tokyo)
No. 30 Telegraphic [F 555/18/10]

FOREIGN OFFICE, February 1, 1933, 7.10 p.m.

Your telegram No. 29,¹ last paragraph.

You may rest assured that we are fully alive to the grave considerations you emphasise in this and earlier telegrams and our own policy is that of standing loyally by the League without needless provocation to any member of it. It is unfortunate that Count Uchida should have received a somewhat different version of my conversation with Mr. Matsuoka from that which I sent you and all the more so as the 'Times' correspondent from Tokyo appears to have been provided with the faulty version. My record contained in my telegram No. 1 from Geneva² is of course correct. The latest absurdity is an announcement in a London paper telegraphed from Geneva that we have bargained for a free hand in Tibet as the price of leaving Japan free in Manchuria.³ Japanese delegation at Geneva is under no misapprehension as to our attitude which has been consistent throughout. We have strained

¹ No. 243.

² No. 252.

³ Cf. No. 275 below.

our utmost to promote conciliation and if this fails His Majesty's Government will be prepared to see the Lytton Report adopted.⁴

⁴ A note by Sir V. Wellesley on the draft of this telegram reads: 'Dictated by the S. of S.'

No. 268

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 1, 3.30 p.m.)
No. 34 Telegraphic [F 733/33/10]

Immediate. Confidential

TOKYO, February 1, 1933, 7.15 p.m.

My telegram No. 33.¹

Minister for Foreign Affairs sent for me this afternoon and after expressing deep appreciation of your effort in favour of conciliation handed me memorandum in English of which following is text:

'Japanese Government deeply appreciate spirit of friendly conciliation in which British Foreign Minister has endeavoured for settlement of the present Sino-Japanese dispute. In a serious and considered effort to meet this attitude on the part of British Government, Japanese government have decided to retain the following two amendments which they regard as most essential and to withdraw all others, under the clear understanding that proposal for inviting states non-members of the League to participate in conciliation committee has been dropped.

'(1) Paragraph 9 of draft statement of reasons as given in resolution of December 15th explicitly incorporates principle of excluding maintenance and recognition of Manchukuo from solution inevitably causing unfortunate impression that policy of Japanese Government towards that state has been officially condemned. Even if this statement should assume form of declaration on the part of the President of the League Assembly and if Japanese Government should declare reservation in this regard that would not be sufficient to satisfy legitimate sentiments of Japanese people. Nor would this procedure under which such contradictory views would have to be put on record by the two parties, be in harmony with fundamental principle of conciliation. In view of these circumstances Japanese Government propose above statement should be phrased in such a way as not to affront susceptibilities of Japanese people. [(2)] If competent² conciliation committee should remain as projected in draft Resolution of December 15th last it is certain that contrary to principle [of] conciliation, committee would exercise undue intervention in negotiations between China and Japan. Furthermore above resolution in taking ten principles stated in Chapter 9 of Lytton Report as basis of settlement of dispute fails to take into account realities of actual situation. Japanese Government therefore propose that conciliation between the two countries concerned should proceed on a due consideration of actually prevailing conditions much on lines indicated in statement made in draft adopted by drafting committee on December 17th.³

¹ No. 262. ² According to another version this should read: 'the competence of the'.

³ Cf. Nos. 132 and 133.

'2. Above in substance represents greatest measure of concession which Japanese Government have found it possible to make in their sincere desire to preserve general interests of Far East and to reciprocate friendly attitude of British Government. Japanese Government are going to instruct their representative at Geneva to make a final effort in accordance with above statement and at the same time they desire to express hope that British Government may continue their conciliatory endeavours. Should this demand be refused by the League of Nations it is feared that Japanese Government would be constrained to let subsequent developments take their own course.

'3. Above views of government are to be communicated as instructions under this date to Japanese delegation at Geneva. I have brought this matter to your knowledge confidentially in view of invariably friendly attitude of British Government and of views expressed by Your Excellency the other day.'

In subsequent conversation Minister for Foreign Affairs who reported to Emperor this morning stated that instructions in the sense of memorandum had been telegraphed to Japanese delegation at Geneva. No Japanese Government could go further in the way of conciliation and retain office. Minister for Foreign Affairs repeated that Japanese Government were most anxious not to leave the League of Nations⁴ but that everything depended on nature of resolution adopted by Assembly if it became unfortunately necessary to pass to paragraph 4.

⁴ In a fuller account of this interview in his despatch No. 67 of February 3 (received March 9), Sir F. Lindley wrote: 'I did not succeed in gathering from His Excellency any exact idea of what amount of condemnation would suffice to oblige the Japanese Government to retire from the League; but I gathered that it was not so much the actual wording as the meaning of the resolution which would be decisive.' After remarking that the German Ambassador and the French Chargé d'Affaires had suggested to him that Japan had little real intention of quitting the League he added: 'I feel fairly confident myself that the Army has made up its mind that a resolution roundly condemning the proceedings of Japan as regards Manchuria would be an insult to its honour, which could only be adequately met by retirement from the League.'

No. 269

Sir M. Lampson (Nanking) to Sir J. Simon (Received February 3, 5 p.m.)
No. 20 Tour. Telegraphic: by wireless [F 798/16/10]

NANKING, February 1, 1933¹

Government of India telegram No. 212.²

At first informal meeting with Minister for Foreign Affairs this morning he volunteered in the course of a general discussion what he called 'personal

¹ Date of drafting of this telegram: it was despatched via Peking.

² In this telegram of January 23 to the Secretary of State for India (copy received in the Foreign Office on January 25) the Government of India proposed that the Dalai Lama should be told that the British Government were doing all they could to impress on the

and friendly hint' that we should avoid in any shape pressing Tibetan question here just now. To do so would be playing into the hands of Japan who would not be slow (as I believe they did once before)³ to switch public indignation on to us thereby diverting some at least from themselves.

2. I believe this hint was genuinely meant and feel it should not be ignored. Repeated to India, Peking and Chungking.

Chinese Government their anxiety to see a settlement achieved and their readiness to assist in the negotiations. The last sentence read: 'As to the Dalai Lama's future course of action he may be told we cannot give advice, but the maintenance [of] their [i.e. Tibetan Government's] present attitude of refusal to negotiate without our mediation may lead to ultimate acquiescence by the Chinese Government in this course.'

³ In a minute of February 7 on the file Mr. Bowker wrote: 'The previous occasion on which Japan switched public indignation from themselves to us was in 1919 when she engineered agitation in China over Tibet in order to draw public attention from the Shantung award at Versailles. This was one of the main causes of the breakdown of our negotiations with the Chinese Government for a settlement of the Sino-Tibetan frontier, which till then had seemed to promise a successful issue.' Cf. First Series, Volume VI, Chap. II.

No. 270

Letter from Mr. Eden (Geneva) to Sir J. Simon (Received February 3)
[F 992/33/10]

GENEVA, February 1, 1933

Secretary of State

I attach herewith a memorandum by Sir John Pratt which is a just and lucid analysis of the situation as it now confronts us here. I feel that you should have this before you in connection with any decision you may come to on our telegram No. 39.¹

For my part, the conviction grows hourly that our attitude towards the recognition of Manchukuo will prove the touchstone by which our policy will be judged by the League, by China and by the United States of America. I believe therefore that it now becomes the right course for us even to take the lead, if necessary, in a declaration in favour of the non-recognition of Manchukuo without condition or qualification. A qualified declaration will not propitiate Japan, but will further alienate China, to whom we may be confident that the small Powers, while themselves now fearful, will carry a highly coloured record of our obstruction.

ANTHONY EDEN

ENCLOSURE IN No. 270
Memorandum by Sir J. Pratt

GENEVA, February 1, 1933

SINO-JAPANESE DISPUTE
A Note on British Policy

1. The drafting of the Report under paragraph 4 of Article XV of the Covenant has reached a stage at which it seems possible to take stock of the

¹ No. 264.

situation and perhaps reach decisions on important points of policy. Now that the Report is taking shape it is clear that the Assembly, even apart from the recommendations in Part IV, which still remains to be drafted, must deal with all the salient facts of the dispute and pronounce judgment on each point. On the main point, whether or not Japan has broken the Covenant, public opinion expects from the Assembly a statement in plain and unequivocal language and any appearance of evading this duty would seriously damage the prestige of the League. Up till recently it might reasonably have been expected that the small Powers would have pressed for a clear statement that Japan had broken Article XII and that the Great Powers, with their heavy responsibilities in the Far East, would have been on the side of caution. It is somewhat surprising, therefore, to find that the Drafting Committee, where the small Powers are strongly represented in the persons of the representatives of Czechoslovakia, Spain, Sweden and Switzerland, prefers to adopt a form of words which does not expressly say that Japan has broken Article XII but which leaves the reader to draw that inference if he chooses. Dr. Benes, the Czechoslovakian representative, said that juridically there were some doubts whether the Assembly could declare 'nettement' that Japan had broken the Covenant, but whether this is really the consideration that has inspired this cautious attitude it is difficult to say.

2. The real objection—if indeed it is an objection—to a declaration that Japan has broken Article XII is that such a declaration may lead, not to sanctions, but to a declaration by the Powers that though the case for applying Article XVI has arisen the Powers do not intend in fact to impose sanctions. With regard to this consideration, in the first place it may not be at all a bad thing that the air should be cleared once for all by a declaration that the Powers have no intention of applying sanctions, for, apart from all other considerations, the military party in Japan would no longer be able to represent themselves as standing up to the bullying of the Western Powers. In the second place, we may not in any case be able to evade the issue of sanctions for, even with the Report as at present drafted, China may be able to force this issue on the League.

3. Assuming that the conclusion to which the above paragraph points is sound, namely, that the Assembly would be well advised to declare unequivocally that Japan has broken the Covenant, what course should *we* follow? In the Committee of Nineteen one or two voices will be raised in favour of such a declaration, but unless we give a strong lead in that direction the majority will probably prefer the more cautious phraseology of the present draft. The same thing will probably happen in the Assembly. The choice before us therefore appears to be, either we can side more or less silently with the majority on the side of caution, or we can openly advocate a bolder policy. If we adopt the latter course, our line would be to state plainly that Japan had broken Articles X and XII of the Covenant and that we would not recognise Manchukuo; we would also condemn China's anti-foreignism and the boycott and we would refuse to condone the boycott even after September 18th, 1931. The danger of such a course, apart from the con-

sideration dealt with in paragraph 2 above, is that we would run the risk of offending both Japan and China. Japan, however, will probably not resent a judgment couched in plain language more than one wrapped up in diplomatic phrases, while the effect on Japanese opinion of ruling out sanctions may, as shown above, be wholly good. As regards China, the only thing to which she attaches real value is the declaration of non-recognition and if we take the lead in advocating this we shall establish ourselves firmly in her good graces. Finally, the bold course would seem to be the only one calculated to rehabilitate the League in world opinion and by openly advocating such a course we should place ourselves in a brilliant—and not really a dangerous—position.

J. T. PRATT

No. 271

Record of a telephone message from Mr. Eden (Geneva)

[F 878/33/10]

FOREIGN OFFICE, *February 2, 1933, 7 p.m.*

Secretary of State

Mr. Eden has just telephoned from Geneva saying that he had with him Sir Arthur Willert¹ and Sir John Pratt who are both considerably worried about your instructions.² They feel that in view of the state of Chinese public opinion which has been inflamed by recent attacks on Great Britain in the Chinese press, such a message might do more harm than good and might only be playing into the hands of the Chinese. He endorses this view.

All they have done at present, therefore, is to pass the information³ on to British press correspondents who will complain to the Chinese press bureau about the issuing of false information. The correspondents have also been informed privately that the Chinese Minister has had his head washed. They think that, taken in conjunction with the démenti which has already been issued⁴ and which Reuter's repeated to China, this will have a better effect than the step which you suggested and will tend to cast ridicule upon the Chinese press bureau instead of further irritating Chinese public opinion.

H. H.⁵

¹ Press Officer and Head of the News department of the Foreign Office.

² Not traced in Foreign Office archives.

³ Presumably a reference to the misleading news concerning His Majesty's Government's attitude in the Sino-Japanese dispute mentioned in No. 275 below.

⁴ See *The Times*, February 2, p. 9.

⁵ Mr. H. Hopkinson was Assistant Private Secretary to the Secretary of State.

The following minute was added to this record by Mr. R. A. Leeper of the News department: 'But there is also British opinion to consider. I have therefore taken the following action:—

(1) I have asked Reuter to telegraph to China démentis of the three false statements without mentioning that they came from Chinese sources at Geneva. This has now been done by Reuter [cf. No. 280 below].

(2) I have arranged for a leading article in the Times to-morrow (Sat.) morning [see *The Times*, Monday, February 6, p. 13] in which the three lies will be denounced without mentioning their Chinese inspiration & in which the S. of S's policy at Geneva will be explained & justified as quite consistent throughout.

'I have also arranged for Reuter to telegraph this leading article to China. R. A. Leeper 3/2'. Mr. Hopkinson added: 'Seen by the S. of S. H. H. 9/ii.'

No. 272

Mr. Osborne¹ (Washington) to Sir J. Simon (Received February 3, 9.30 a.m.)

No. 86 Telegraphic [F 773/18/10]

WASHINGTON, February 2, 1933, 7.7 p.m.

My telegram No. 83.²

Dr. Hornbeck also drew attention to press telegram from Geneva which after a garbled account of representations exchanged proceeded to interpret them as 'a bold British move to make the United States the League's spear head against Japan'. Telegram added that State Department had thrown cold water on proposal.

Dr. Hornbeck said leak could not possibly have occurred here. Someone in London or at Geneva must have been talking.³

¹ H.M. Minister at Washington and Acting Chargé d'Affaires during the absence of Sir R. Lindsay.

² Mr. Osborne's telegrams Nos. 82, 83, and 84 of February 1 (received at 9 a.m. on February 2) gave the substance of the U.S. *aide-mémoire* of February 1, printed in *F.R.U.S.* 1933, vol. iii, pp. 140-1, to the effect that action by the U.S. Government on the lines proposed in the British Embassy's *aide-mémoire* of January 28 (see No. 259, note 2) would 'do more harm than good' and that any useful purpose which might be served by action at this time 'might be served to greater advantage through representations made by the British Ambassador in Tokyo than by any joint or separate representations in which the American Government participated'. Mr. Osborne continued: 'Mr. Hornbeck [Head of the Far Eastern Affairs Division in the U.S. State Department] who communicated *aide-mémoire* to member of my staff commented here that "anything we say makes Japanese mad".' Mr. Orde minuted on February 3: 'The U.S. Govt. might have refrained from suggesting that though they would not do anything we might take action.'

³ A minute of February 8 on this telegram by Mr. M. R. Wright, a Second Secretary in the Foreign Office, said: 'I was at Geneva at this time. The Press got the information from the Japanese delegation there. In view of the final sentence of the message, it looks as if their information came from Washington. But they may also have read our telegram No. 50 to Washington [cf. No. 259].'

No. 273

Sir M. Lampson (Siakwan) to Sir J. Simon (Received February 2, 1 p.m.)

No. 24 Tour. Telegraphic [F 736/33/10]

SIKWAN, February 2, 1933, 7.30 p.m.

Campaign against us in Chinese press continues with increasing intensity. Repeated to Peking.

No. 274

Mr. Patteson (Geneva) to Sir J. Simon (Received February 3, 9.30 a.m.)
No. 49 L.N. Telegraphic [F 772/33/10]

GENEVA, February 2, 1933, 11.5 p.m.

Following from Mr. Eden.

Mr. Matsuoka handed me today two documents the first being substance of a communication from Count Uchida to His Majesty's Ambassador at Tokyo¹ and the second new proposals to committee of nineteen. These are to the effect that Japan will now agree to the ten principles of chapter 9 of the Lytton Report being made the basis of settlement of dispute 'taking into consideration realities of the situation' and will accept last paragraph of statement of reasons 'with certain modifications'.

General sense of both documents indicates that intention is to exclude principle No. 7² as being incompatible with realities of the situation. It seems very probable therefore that committee of nineteen will fail to find any basis of conciliation in this proposal and will proceed with drafting of recommendations of the report.

Repeated to Tokyo and Nanking.

¹ Cf. No. 268.

² Principle 7 read: '*Manchurian autonomy*. The government in Manchuria should be modified in such a way as to secure, consistently with the sovereignty and administrative integrity of China, a large measure of autonomy designed to meet the local conditions and special characteristics of the Three Provinces. The new civil regime must be so constituted and conducted as to satisfy the essential requirements of good government.'

No. 275

Sir J. Simon to Sir M. Lampson (Peking)
No. 102 [F 761/33/10]

FOREIGN OFFICE, February 2, 1933

Sir,

I took the opportunity of a visit from the Chinese Minister today to speak to him about the stream of misleading news emanating from Geneva as to the attitude and action of His Majesty's Government in the Sino-Japanese dispute. The most recent examples were to be found in telegrams to certain English newspapers stating that the British Delegation was putting strong pressure on small Powers to suppress any reference to non-recognition of Manchukuo, that this action was due to an undertaking given to the Japanese to induce them to evacuate Shanghai, and that we were attempting to bargain with Japan for a free hand in Tibet as the price of our abstention from interference in Manchuria. I told the Minister that Sir Arthur Willert had reported to me that it was he himself, Mr. Quo Tai-chi, who had been making propaganda with journalists at Geneva to this effect, and that he could prove from the journalists there that this was the case. And I called the Minister's

attention to the despatch from Geneva in the *Manchester Guardian* of January 31st in which the correspondent declared that he had had this account from an authoritative Chinese source and that the Chinese Delegation was convinced of its accuracy.

The Minister disclaimed any personal responsibility, and said that he thought there must have been some misuse of his name in making such statements. He had himself been present during the Shanghai negotiations, and he knew perfectly well that there was no truth in the story that we had, in that connexion, made a bargain with the Japanese. I reminded him that certain English newspapers¹ were printing the statement that we had made such a bargain, and that the Chinese Delegation was 'convinced' of the fact, and I asked what he was going to do about it. He indicated that he would take the matter up when he returned to Geneva, as he was doing immediately. I asked the Minister whether I was not right in saying that he and the Chinese Delegation knew perfectly well that my position was that, if conciliation failed, the League must be expected to affirm the Lytton Report. Mr. Quo Tai-chi said that that was so; I had made this quite plain to the Chinese Delegation, and he understood that I had used the same language to the Japanese.

I said that it was necessary to take a grave view of the continuance of this misleading propaganda, for it would certainly react against China when the House of Commons and the public came to know how the British attitude was misrepresented. Our object throughout had been to act fairly by both sides, and it was a pity that the task was made more difficult by these unfounded inventions.

I am, &c.,
JOHN SIMON

¹ e.g. *The Daily Herald*, January 30.

No. 276

Sir M. Lampson (Nanking) to Sir J. Simon (Received February 3, 9 a.m.)
No. 19 Tour. Telegraphic [F 783/33/10]

Confidential

NANKING, *February 3, 1933, 11.32 a.m.*

My telegram No. 18 Tour.¹

In a long and intimate conversation with Minister for Foreign Affairs today² he referred to the same Reuter reports from Geneva regarding our alleged lukewarmness over non recognition of Manchukuo and expressed keen apprehension of reaction against us throughout China. He was inclined to believe that dissemination of these rumours was due to Japanese intrigues

¹ No. 265.

² This telegram was drafted on February 1. In another account of this interview Sir M. Lampson states that it took place about an hour after the despatch of telegram No. 18 Tour (No. 265).

who [*sic*] (just as in previous cases) were trying to take steps . . .³ part at least of existing intense popular odium here from themselves to us.

2. I told him allegations were, I was sure, entirely without foundation. I knew from your telegram from Geneva to Foreign Office 439 of last year⁴ that His Majesty's Government's policy was to support the covenant and any suggestion that our complete liberty of action was fettered by agreement with another power was absurd.

3. He said very definitely that no sane Chinese now expected support by force from the League but China did look for a clear pronouncement upon moral issue and upon violation of the covenant by Japan. Less than that would cause a violent outburst here. China would no longer feel herself bound by earlier League resolutions and would take her own measures to defend herself from further encroachment, i.e. Jehol.

4. I pointed out (as I had in the South) that though not authorised to offer advice Chinese Government should be most careful to do nothing that might only end in making China's plight worse. He rather brushed that aside and said China could afford to lose tens of thousands of lives if thereby she could bring bankruptcy nearer to Japan, as would in fact finally be the result, a fact frankly recognised by prominent Japanese diplomatists in their discussions with him.

5. As to the possibility of the good offices of a third party or of direct talking between China and Japan there was no prospect whatever *at present*. Only recently Japanese Ambassador to Rome (Yoshida) had sounded him even suggesting he (Minister for Foreign Affairs) should go to Tokyo. But he had pointed out its impracticability whilst things were as they were. Recognition of Manchukuo was only one of many difficulties.

Repeated to Tokyo and Peking.

³ This text is here uncertain.

⁴ No. 91.

No. 277

Sir M. Lampson (Nanking) to Sir J. Simon (Received February 3, 9.30 a.m.)

No. 22 Tour. Telegraphic [F 777/33/10]

NANKING, February 3, 1933, 12.30 p.m.

My return to Shanghai and Nanking has been signal for vernacular press to concentrate on Sino-British relations and British Far Eastern policy.

2. The general tendency is to attribute failure of League to give China satisfaction to machinations of Great Britain, which is reluctantly suspected of abetting Japanese ag[g]ression as result of some secret understanding with Japan. There are pointed references to necessity of Great Britain deciding once for all whether she wishes 'to maintain her trade in China or sacrifice it for some other consideration'. Vague references to past anti-British boycotts are made. Hope is expressed that my return will serve to remove all

these misunderstandings and suspicions, all of which are traced to your speech at Geneva last December.¹

Repeated to Peking and Tokyo No. 19 Tour.

¹ Cf. Nos. 91 and 101.

No. 278

Sir M. Lampson (Nanking) to Sir J. Simon (Received February 3, 3 p.m.)

No. 30 Tour. Telegraphic: by wireless [F 794/19/10]

NANKING, February 3, 1933

Japanese Consul informs me that his Government still aim at settling Jehol question 'diplomatically' and said he could state definitely that in no case would forceful action be taken for a further month.

2. I expressed relief, for Chinese Government circles were very bellicose and a further clash now could only make situation worse and prospects of conciliation even more remote.

Repeated to Peking Commander-in-Chief and Tokyo.

No. 279

Mr. Patteson (Geneva) to Sir J. Simon (Received February 3, 5.15 p.m.)

No. 54 L.N. Telegraphic [F 792/33/10]

GENEVA, February 3, 1933, 3.45 p.m.

My telegram [No.] 40.¹

Following from Parliamentary Under Secretary.

In part three of report as circulated to the committee of nineteen second paragraph conclusion six read as follows.

'The use of boycott by China subsequent to events of September 18, 1931 falls under category of reprisals. The Assembly feels bound to add as a general observation applying to international relations that measures of violence necessarily tend to provoke counter measures of violence.'

In French text the word 'necessarily' is [replaced by] 'almost inevitably'.

¹ No. 261.

No. 280

Sir J. Simon to Sir M. Lampson (Nanking)

No. 8 Tour. Telegraphic [F 712/33/10]

FOREIGN OFFICE, February 3, 1933, 9.30 p.m.

Your telegram No. 18¹ (of February 1st; Reuter's telegrams from Geneva).

Reuters have now sent telegrams to China from here correcting false impression reported by you and strongly denying fantastic rumours of corrupt bargains between us and Japanese about Shanghai and Tibet.²

¹ No. 265.

² Cf. No. 271, note 5.

I also spoke seriously to Chinese Minister yesterday as I had discovered that he himself had been encouraging these rumours among journalists at Geneva. I told him how gravely I viewed continuance of this misleading propaganda and he indicated that he would take steps to put things right on his return to Geneva.³

³ Cf. No. 275.

No. 281

Mr. Holman (Peking) to Sir J. Simon (Received February 4, 9.30 a.m.)
No. 82 Telegraphic: by wireless [F 810/18/10]

PEKING, February 3, 1933

Following received from Tientsin telegram No. 30 of January 27th begins. Addressed to Peking telegram No. 30 repeated to Nanking.

Kailan Mining Administration Chinwangtao reports that situation there is increasing in tenseness owing to action of Chinese who are fortifying ground north of railway with machine gun emplacements, trenches etc. They are also pulling up rails to the east of station. It is feared that this will lead to demand from Japanese which will embarrass the situation. I am informed that Senior Naval Officer considers a strong warning to Chinese desirable, but I do not see on what grounds such a warning could be based.¹ Nathan² is anxious that interests of Kailan Mining Administration should not be invoked in this connexion.

¹ After discussion in the Far Eastern department as to whether the Senior Naval Officer should be discouraged from intervention it was decided to leave the matter to Sir M. Lampson's judgement.

² Mr. E. J. Nathan was the General Manager of the Kailan Mining Administration.

No. 282

Sir J. Simon to Sir F. Lindley (Tokyo)
No. 62 [F 793/33/10]

FOREIGN OFFICE, February 3, 1933

Sir,

Mr. Matsudaira, in conversation with me to-day, referred to our interview of January 20th, when he had promised to enquire from his Government as to the intentions of the Japanese in reference to their recent activities at Shanhaikuan (see my despatch No.47).¹ He said that, as he had received no answer to his enquiry, he had telegraphed a second time to Tokyo about it today.

The Ambassador also referred to the memorandum handed to Your Excellency on February 1st by Baron Uchida embodying the final decision of the Japanese Government as to amendments they must insist upon in the draft documents of conciliation which were being considered at Geneva.²

¹ No. 225.

² Cf. No. 268.

He said that Mr. Matsuoka had communicated the contents of this memorandum to Sir Eric Drummond today and also to Mr. Eden,³ and the former promised to bring the matter before the Committee of Nineteen. Did I think that there was any prospect of Japan's latest demands being accepted? I said that, as I was away from Geneva and Mr. Eden was there, I could not speak definitely, but that my own impression remained the same as it was when Mr. Eden and I saw the Ambassador and Mr. Matsuoka at Geneva on January 26th.⁴ I expected that the Committee of Nineteen would be unwilling to change paragraph 9 of the Statement of Reasons, especially as this was not a document which Japan was required to vote, and would take the view that Japan would be sufficiently safeguarded by making a reservation when she voted for the main resolution. I added that my information was that the Drafting Committee was considering the terms of a report and that this would come before the Committee of Nineteen almost at once, so that if the Japanese Government was prepared to make any further move to promote conciliation, time was exceedingly short.

I am, &c.,
JOHN SIMON

³ Cf. No. 274.

⁴ See No. 252.

No. 283

Sir J. Simon to Sir F. Lindley (Tokyo)

No. 35 Telegraphic [F 733/33/10]

FOREIGN OFFICE, *February 4, 1933, 1.50 p.m.*

Your telegram No. 34¹ (of February 1st. Memorandum embodying final decisions of Japanese government on amendments in draft conciliation documents now before Committee of Nineteen).

Japanese Ambassador informed me yesterday² that Mr. Matsuoka had communicated substance of memorandum to Secretary General who had promised to bring matter before Committee of Nineteen.

His Excellency asked me whether I thought there was any prospect of Japan's latest demands being accepted. I told him that my impression was that committee would be unwilling to alter paragraph 9 of statement of reasons, especially as Japan was not required to vote on that document, and would consider that Japan would be sufficiently safeguarded by making reservation when voting main resolution.

I added that as drafting committee was almost ready with report under paragraph 4, time was now exceedingly short if Japanese government were prepared to make any further move to promote conciliation.

Repeated to Geneva No. 56.

¹ No. 268.

² Cf. No. 282.

No. 284

Sir M. Lampson (Nanking) to Sir J. Simon
(Received February 4, 5 p.m.)

No. 29 Tour. Telegraphic: by wireless [F 803/33/10]

NANKING, February 4, 1933

My telegram No. 18.¹

Reuter's messages from London of February 2nd and 3rd officially denying these allegations are most opportune and Minister for Foreign Affairs asks me to transmit his grateful thanks. He has promised to use every effort with vernacular press to put a stop to present campaign of which he professes thoroughly to disapprove. He is telegraphing to Chinese delegation in Geneva to above effect.

Repeated to Peking.

¹ No. 265.

No. 285

Sir J. Simon to Mr. Patteson (Geneva)
No. 59 L.N. Telegraphic [F 730/33/10]

FOREIGN OFFICE, February 4, 1933, 9.10 p.m.

Following for Mr. Eden.

Your telegram No. 39¹ (of January 31st: Sino-Japanese dispute).

These matters are so important that I wish to consult the Prime Minister before deciding. I may be able to do this on Sunday.² In the meantime my provisional conclusions are as follows:—

(1) I agree with you that the latest version of the boycott paragraph is reasonably framed. It should not be overlooked that the Lytton Report (page 120) recommends an international investigation of the general subject. I should be opposed to any condonation of boycott in any circumstances.

(2) As regards breaches of the Covenant, this is a legal question. If it is clear that the facts established by the Lytton Report involve this conclusion, the conclusion must be accepted.

(3) As regards non-recognition, we are already parties to the March resolution and have no intention of going back on it. While diplomatic recognition is necessarily the executive action of each sovereign state, Manchukuo does not in any case satisfy, in our view, the necessary conditions for such recognition and we have no intention of recognising it. But we

¹ No. 264. After the discussion referred to in note 9 to No. 260 and the receipt of No. 270 a reply to Mr. Eden, drafted by Mr. Orde, was revised on February 3. This second draft (neither draft is preserved in Foreign Office archives) was, however, replaced by the above telegram No. 59 drafted by the Secretary of State in consultation with Sir V. Wellesley and Mr. Orde.

² February 5.

cannot bind ourselves in perpetuity or limit the freedom of future British Governments if circumstances hereafter change, e.g. by other Powers recognising or by its becoming clear that complete independence from China was the real wish of the people of Manchuria. These are distant possibilities which need not now be considered, especially as we should deprecate isolated action and should contemplate League consultation hereafter if circumstances ever required it.

(4) Our general attitude is determined by our resolve to avoid isolated action but to act as a good Member of the League without fear or favour. For this reason this is not a case for taking some special lead but for accepting, along with others, the reasonable conclusions deduced from the Lytton Report.

No. 286

Mr. Patteson (Geneva) to Sir J. Simon (Received February 5, 9 a.m.)
No. 61 L.N. Telegraphic [F 805/33/10]

GENEVA, February 4, 1933, 11 p.m.

Following from Mr. Eden:—

Committee of Nineteen met in private this morning and discussed new Japanese proposal¹ and then considered question of recommendation. Part 3 of draft report was not discussed.

2. I pointed out that Japanese proposal indicated slight change of attitude because instead of insisting on maintenance of Manchukuo they were now willing to treat maintenance on² non-recognition as an open question to be settled subsequently during conciliation negotiations; but that committee could not accept this new Japanese thesis without abandoning Lytton Report which was of course impossible. Committee agreed that difficulty of fundamental difference in regard to Manchukuo had not been removed by new Japanese proposal. Secretary General also explained that Japanese still contemplated direct negotiations between parties, competence of other members of committee of conciliation being limited to that of observers only. Committee therefore decided that Secretary General should inform Japanese delegation that their new proposal could not be accepted; that committee would be willing to consider slight modification of draft of December 15th but that as already indicated only two alterations of substance could be admitted, namely exclusion of non-member states and possibility of reservation to last paragraph of statement of reasons. Committee also decided not to communicate new proposals to Chinese delegation but to issue statement text of which is contained in my immediately following telegram.³

¹ Cf. No. 274.

² The text here appears to be corrupt; cf. No. 297 below, para. 4 of enclosure, and *F.R.U.S.* vol. iii, pp. 146-7.

³ Not printed. The statement is printed in *The Times*, February 6, p. 12.

3. Representative of Czechoslovakia suggested that recommendation after first indicating principles upon which a solution should be based namely respect for covenant, pact and Nine Power Treaty should propose that a practical solution should be sought on basis of ten principles of Lytton Report; this would naturally lead to further recommendations addressed to members of other parties namely that other members should not recognise Manchukuo and that in this matter all should act together. A long discussion ensued in the course of which the Swedish representative raised the question of what should be done if proposed solution should not be put into effect and Swiss representative argued that other members besides being bound not to make war on the party that accepted the report might be bound to apply article 16 to party that rejected it. Secretary General cast doubt on accuracy of this interpretation but it was agreed that matter required study.

4. Committee will resume discussion on Monday⁴ evening.

Repeated to Tokyo No. 36 and Nanking No. 9.

⁴ February 6.

No. 287

Sir M. Lampson (Nanking) to Sir J. Simon

(Received February 5, 2.15 p.m.)

No. 32 Tour. Telegraphic: by wireless [F 807/18/10]

Very confidential

NANKING, February 5, 1933

Japanese Minister telegraphed to Tokyo on February 2nd urging unwisdom of armed action against Jehol. It would only result in forcing hand of those who like Chiang Kai-shek may be playing for time and would still further aggravate Sino-Japanese relations.

2. Suma¹ of Japanese Legation tells me that meantime some sort of quiet negotiation is in progress between Mukden and Jehol with a view to working arrangement and avoidance of use of force.

3. He spoke of possibility of elimination of Chang Hsueh-liang and his replacement by Tuan Chi-jui² (now in Shanghai) who would be better disposed towards Japan and also on good terms with Chiang Kai-shek.

4. Suma was most inquisitive regarding any indications of a readiness for mediation of which many rumours are current here. I told him there were none and that undoubtedly a clash in Jehol would render even more remote any such possibility.

5. I have strong impression that Japanese legation would gladly enter into compromise discussions and may be fishing for our good offices. Suma even hinted vaguely at possibility of some form of recognition that Manchuria remained part of China.

Repeated to Peking and Tokyo.

¹ First Secretary of the Japanese Legation.

² Chief of the pro-Japanese Anfu faction; cf. No. 15, § 3.

No. 288

Mr. Patteson (Geneva) to Sir J. Simon (Received February 5, 3.35 p.m.)
No. 64 L.N. Telegraphic [F 808/18/10]

GENEVA, February 5, 1933, 3.25 p.m.

Following from Mr. Eden:—

I learn from French delegation that French Minister at Peking reports that Japanese military intend to occupy Tientsin and Peking if they meet with resistance in Jehol and that developments of this character may occur in the immediate future.

I should be glad to learn whether we have any information confirming French report.¹

¹ This telegram was repeated to Tokyo as No. 38 and to Peking as No. 49 by the Foreign Office on February 6.

No. 289

Sir M. Lampson (Nanking) to Sir J. Simon (Received February 5, 3.35 p.m.)
No. 31 Tour. Telegraphic: by wireless [F 804/33/10]

NANKING, February 5, 1933

Minister for Foreign Affairs today¹ showed me telegram from Chinese Minister in London reporting interview² at which you 'severely took him to task for press report regarding secret Anglo-Japanese understanding and especially himself': also for not adequately reporting to Nanking your December speech.

2. Minister for Foreign Affairs was distressed to think Quo was considered responsible for such rumours: and as to inadequately reporting speech that was incorrect as Chinese delegation's telegram of December 10th (which he showed me) proved.³

3. I observed that interview with Chinese Minister had cleared the air. It was now for Minister for Foreign Affairs and myself to see that further misunderstandings did not arise.

Repeated to Peking.

¹ This telegram was drafted on February 4.

² Cf. No. 275.

³ A minute on this telegram read: 'Crocodile's tears! V. A. L. Mallet. 6/2.'

No. 290

Sir M. Lampson (Nanking) to Sir J. Simon (Received March 21)
No. 11 T.S. [F 1887/33/10]

NANKING, February 5, 1933

His Majesty's Minister at Nanking presents his compliments to H.M. Principal Secretary of State for Foreign Affairs and has the honour to transmit to him the under-mentioned document.

<i>Name and Date</i>	<i>Subject</i>
Minute of Interview with M.F.A. of 3rd February, 1933.	Sino-Japanese Geneva Discussions.

ENCLOSURE IN No. 290

Minute of Interview between Dr. Lo Wen-kan and Sir M. Lampson

NANKING, February 3, 1933

This afternoon during our interview in my office Dr. Lo referred once more to the agitation in the Chinese press of the past few days over the alleged understanding between Great Britain and Japan in Geneva, etc., etc. He had just received a telegram from his delegates in Geneva (he read me the text), in which the latter expressed considerable alarm at the reports reaching them from China of the press campaign said to be in progress out here against Great Britain and even speaking of the possibilities of a British boycott; the Chinese delegation was seriously alarmed at this sort of talk, which was doing much harm to China's cause in Geneva and strengthening the general feeling against the legitimacy of the boycott as a weapon. Dr. Lo, after reading this telegram, went on to say that he was doing and would continue to do his best to stop this press agitation; and was most grateful for the two statements which had just been issued by the Foreign Office (referring to that telegraphed out by Reuter from London on February 2nd and the further statement reported by Reuter to-day).¹ He said these two statements were excellent, and he much appreciated our action in issuing them. He hoped I would assure my Government that he on his side would do his best to stifle any further loose talk containing similar absurd insinuations or allegations against Great Britain.

M. W. LAMPSON

¹ Cf. No. 284.

No. 291

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 6, 9.30 a.m.)
No. 37 Telegraphic [F 809/18/10]

TOKYO, February 6, 1933, 4.34 p.m.

We do not believe that there has been any change of Japanese policy regarding Tientsin and Peking since my telegram No. 12¹ was despatched except that reluctance to enter these areas seems to have been increased. Repeated to Peking.

¹ In this telegram of January 9, not printed, Sir F. Lindley reported that the Military Attaché had been informed that morning that 'Japanese were most anxious to avoid extension of trouble inside the Wall since they realised its dangers. If it became necessary to eject young Marshal's troops from Jehol, Japanese would prefer operations to be undertaken direct into Jehol and not through Peking-Tientsin areas although latter alternative is not excluded by General Staff.'

No. 292

*Sir M. Lampson (Nanking) to Sir J. Simon (Received February 6, 5.10 p.m.)
No. 34 Tour. Telegraphic: by wireless [F 841/16/10]*

NANKING, February 6, 1933

Tibet.

On February 4th representatives of Panshan Lama handed to Teichman¹ letter and packet for transmission from Panshan Lama to the Dalai Lama. I will forward letter and packet to the Foreign Office India by first available safe opportunity.

2. Representatives stated that the Panshan Lama was leaving Nanking on February 7th for Peking whence he would proceed on a visit to Mongolia. Following on his letter to the Dalai Lama he was sending representatives to Tibet via India in order to arrange with the Dalai Lama for him [his] the Panshan Lama's return to Tibet.

3. These representatives would leave for India in two or three weeks' time. Party would consist of 15 persons and they would be taking with them 50 to 60 boxes of silks, porcelain, silver cups and furniture, etc. as presents for the Dalai Lama and high personages in Tibet. The Panshan Lama begs me to issue a pass for these boxes to entry and transit of India to Tibet duty free. I trust that I may comply with this request and request instructions if possible before February 10th when representatives will call at Legation in Peking before leaving for India.

4. Representatives delivered presents (porcelain vases, pictures, etc.) from the Panshan Lama for me and Teichman. It was explained that our regulations did not permit of acceptance but it was impossible without causing grave offence to refuse to receive them.

I request instructions as to their disposal and as to return of presents.²

Repeated to India, Peking, Chungking.

¹ Sir E. Teichman was Chinese Secretary in H.M. Legation at Peking.

² After conversation with the India Office the Foreign Office asked Sir M. Lampson, in telegram No. 65 of 12.50 p.m. on February 11, the approximate value of the presents and whether he considered their return to be advisable. He replied in telegram No. 121 of February 20 (received 4.30 p.m.) that a local Chinese expert valued his pair of vases at 200 dollars and Sir E. Teichman's at 60 dollars and that 'in view of their romantic origin we would gladly take them over ourselves at that valuation returning presents of equivalent value say watches or clocks of British origin which we can get in Shanghai'. This proposal was accepted.

No. 293

*Sir M. Lampson (Nanking) to Sir J. Simon (Received February 6, 6 p.m.)
No. 35 Tour. Telegraphic: by wireless [F 836/33/10]*

Confidential

NANKING, February 6, 1933

Chinese are fast becoming almost hysterical; and Minister for Foreign Affairs has himself several times described their mood as that of desperation—

a 'mad dog' which on slightest provocation will snap at anyone in their path—including ourselves if in any way we get drawn in between them and their indignation against Japan.

2. Latest manifestation is a 'strictly personal' letter today¹ from Minister for Foreign Affairs to the effect that British member of drafting committee is reported to be insisting on condemnation of boycott 'in all cases'. If Great Britain 'is unwilling to condemn Japan for her barbarous and inhuman methods whilst insisting on condemning defenceless China for boycott, where is justice?' and so on.²

3. I do not doubt there is the usual exaggeration but with all deference it is unfortunate from angle of our interests in China that whatever line we take in Geneva should leak out and be used against us. Moreover (see Geneva telegram No. 39)³ are there not boycotts and boycotts? e.g. that against us in 1925 which was inexcusable and unprovoked, that against Japan which was provoked by Japanese aggression, only⁴ means of defence available to China the League having (as she thinks) failed her.

4. May I emphasize that our moral and material positions in China are possibly at this moment at stake? If we seem in any way to condone injustice or try to shield Japan the effects might well be deplorable and world-wide.

Repeated to Peking.

¹ This telegram was drafted on February 5.

² The text of Dr. Lo Wen-kan's letter was enclosed in Sir M. Lampson's despatch No. 208 of February 20 to the Foreign Office (received April 4). Sir M. Lampson there described the letter as 'almost hysterical'. It had a postscript as follows:

'I hope you will not misunderstand me in interfering with your Government's policy. *Self Help* is not allowed by *Law*, but the court must punish the *wrong doer* first. If the court can arrest the wrong doer, can imprison him, can give security and peace to the community, then taking the Law into one's own hand can be discussed and questioned whether legal or not. Taking the advantage in being an old friend of yours, so perhaps I am saying too much now.'

³ No. 264.

⁴ Another text of this telegram here reads: 'aggression. And (? omitted: boycott is) only means'.

No. 294

Sir J. Simon to Mr. Patteson (Geneva)

No. 64 L. N. Telegraphic [F 730/33/10]

FOREIGN OFFICE, *February 6, 1933, 6.10 p.m.*

Following for Mr. Eden.

Confidential

As the result of my consultation with the Prime Minister yesterday,¹ I suggest the following general line about non-recognition of Manchukuo.

¹ Cf. No. 285.

1. After reciting last paragraph of Part I of resolution of March 11th (whereby Assembly declared that it was incumbent upon the members of the League of Nations not to recognise any situation, treaty or agreement which might be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris) Assembly might resolve that in its opinion this declaration applies to the present situation and that therefore the members of the League should continue not to recognise the state of Manchukuo.

2. When a proposition to the above effect is put forward, you should at once state that His Majesty's Government adheres to it. You might continue thus: 'And the government which I represent, in supporting this proposition, wishes at once to make a suggestion as to the further action of us all. If in the future circumstances so develop as to require that this matter should be further considered, His Majesty's Government do not wish to act in isolation, but would seek to apply the spirit of Article 7 of the Nine-Power Treaty² so that there shall be the opportunity of communication between the members of the League and the signatories to the Nine-Power Treaty in advance of any decision that any member of the League might be disposed to take. It will, of course, be understood that I make this further declaration on the basis that other Powers, whether members of the League or not, agree to act in the same way. Having said this, I repeat that His Majesty's Government, who have throughout declared that they will stand by the resolution of March, are ready to accept and support the declaration now proposed'.

3. I do not think it would be advisable for you to take the formal lead in putting forward the proposition in paragraph 1 above. I presume that there will be informal consultation and in the course of it a proposal on the above lines is certain to emerge. Then will come your opportunity. You should be careful not to accept a form of resolution which treats the League of Nations as a super-State imposing its decision on its members. The resolution I have suggested does not do this, but strictly follows the line of the March declaration and applies it to existing circumstances.

² i.e. the article providing, in certain circumstances, for 'full and frank communication between the Contracting Powers concerned'.

No. 295

Mr. Patteson (Geneva) to Sir J. Simon (Received February 7, 9.30 a.m.)

No. 68 L.N. Telegraphic [F 839/33/10]

Immediate

GENEVA, February 6, 1933, 7.55 p.m.

Following from Mr. Eden:—

My telegram No. 61.¹

Committee of 19 met in private this morning. I supported general lines of recommendations proposed by representative of Czechoslovakia on Saturday² and pointed out as it clearly appeared from these recommendations

¹ No. 286.

² February 4.

that maintenance of Manchukuo was not satisfactory solution, members should take care to make it clear that their recommendations would not be stultified by any future action of their own. I expressed general agreement with suggestion that existing regime in Manchuria should not be recognized and that all members of the League should act together. I further suggested that co-operation of non-member states might be sought in this matter. I pointed out that existing regime in Manchuria did not possess attributes that would entitle a state to recognition and that therefore the only problem was to find a form of words in which to express unanimous intention of all members of the League.

2. As regards question of concrete recommendations for ultimate solution I observed that we must realize that no lasting settlement could be found save through co-operation of parties with approval of other interested Powers. Only way of solution therefore would be along line indicated in Chapter 10 of Lytton Report and though this might seem like recommending conciliation I could see no other way. If either party refused to advance along this line it would have to assume responsibility for its recalcitrance. I urged that drafting committee should begin as soon as possible drafting recommendations so far as they had already been agreed, so as to provide us with basis for further discussion of doubtful points.

3. German representative who spoke before me and French representative who spoke immediately after me took much the same line as I did. The latter made further point that policy of non-recognition should not be defeated by a degree of *de facto* recognition that might have the same effect in practise [*sic*] as *de jure* recognition and that therefore there should also be general agreement as to non co-operation with Manchukuo. Certain delegations argued that recommendations must include concrete suggestions for settlement particularly in view of paragraph 6 of Article 15.³ Recommendations must be precise and there must be some means whereby we can recognize at once whether parties are complying or not. Spanish delegate went so far as to say that time limit for compliance must be fixed. Secretary General suggested that recommendations for procedure of settlement (for instance negotiations under auspices of other Powers) would be as binding as recommendations concerning actual settlement itself so that refusal to negotiate would be tantamount to refusing to comply with paragraph 6.

4. After long discussion mainly on point referred to in paragraph 2 above committee acted on my suggestion and referred the matter to drafting committee which will meet at 11 a.m. tomorrow February 7th.

5. Copy of my speech⁴ by bag tonight.
Please repeat to Tokyo and Nanking.

³ See No. 246, note 2.

⁴ Received on February 8 as enclosure in Geneva despatch No. 38 of February 6; not printed.

*Sir M. Lampson (Nanking) to Sir J. Simon (Received February 8, 9 a.m.)
No. 39 Tour. Telegraphic: by wireless [F 865/16/10]*

NANKING, February 6, 1933¹

Your telegram No. 46² and Government of India telegram No. 212 last sentence.²

I am definitely against giving Dalai Lama any encouragement as suggested to think Chinese Government will ever agree to our mediation; for I feel sure they never will.

2. I have not resumed discussion at Nanking—see my telegram No. 20 tour.³ I am convinced it would be most unwise to provoke any sort of controver[s]y here on the subject at present time.

3. But what I have already done is to mention the matter in informal conversations at dinner with Minister for Foreign Affairs and explain to him that as neighbours of Thibet we cannot tolerate anything likely to cause disturbance or lead to trouble there. Minister for Foreign Affairs said he quite understood and that there was no desire whatever on China's part to make such trouble: orders had already been sent as I know, to stop fighting. I added that if ever our good offices would help in any difficulties that might arise with Thibet I wished him to take note and⁴ we would be very ready to give them and there we left it.

4. Apart from above I can see no likelihood of Chinese Government modifying their standpoint regarding British mediation (unless we were prepared to take a strong hand with them as Japanese have done in Manchuria). Their traditional attitude towards Thibet is that of a preoccupied parent towards a naughty child which will one day return to the fold whether as a result of the parent's chastisement or of its own accord. Nor is there any inducement for Chinese Government to make a final settlement with Lhasa through our mediation. They do not really mind what happens in Thibet or on the frontier (unless we occupy the country as the Japanese have Manchuria) but they will never formally create any mental theory of Chinese rights⁵ over Thibet. (In China theory counts for more than fact.) And they are ready at any moment to call the power of popular agitation in China to their aid.

5. I submit we should face above facts and encourage, not discourage, Dalai Lama to come to terms with China by direct negotiation if he can; trusting to geographical propinquity of India to Lhasa to maintain our influence by promotion of free economic relations, without this official intercourse, across⁶ our frontier.

¹ Date of drafting of this telegram: it was despatched via Peking.

² This telegram of January 31 referred to Government of India telegram No. 212 (see No. 269, note 2) and asked Sir M. Lampson to telegraph his observations and to say whether discussion of the Sino-Tibetan situation had been resumed at Nanking.

³ No. 269.

⁴ This word should presumably have read 'that'.

⁵ The text as despatched here read: 'formally recognise any impairment of theoretical Chinese rights'.

⁶ Amended later to read: 'economic relations and official intercourse across.'

6. I know the arguments in favour of policy we have pursued for the past twenty years but frankly I cannot see that it is going to lead us anywhere except into eventual loss of face with China when the latter is in a position to impose her will on Thibet.

7. Above views do not rule out representations and warnings to Chinese Government in the event of Chinese aggression on the frontier as happened last summer; and the line I would take in such a case is that we are directly concerned in maintenance of internal peace in Thibet and strongly object to armed Chinese incursions which can only lead to endless trouble and disturbance of peace of neighbourhood of Indian frontier possibly calling for action on our part. But it would be unwise for Thibetans to trust to such representations always being successful. I would advise them to come to terms with Chinese Government if they reasonably can.⁶

Repeated to India and Peking, copy to Chungking.

⁶ The Far Eastern department, as shown in a minute by Mr. Orde of February 21, regarded the views expressed in Sir M. Lampson's telegram No. 39 as 'generally sound' but as going 'beyond what was necessary in para. 6, which really confuses the question of our general policy with that of the tactics to be adopted at this particular moment'. The India Office, in letter P.Z. 803/33 of February 17 to the Foreign Office, proposed a 'compromise' to the effect that the decision should be left to the Dalai Lama, who should be told the British Government felt unable to press for mediation in the present circumstances but would assure him of their diplomatic support if he decided to negotiate. This approach was acceptable to the Foreign Office, but no further developments took place during the period covered by this volume.

No. 297

United Kingdom Delegate (Geneva) to Foreign Office (Received February 8)
No. 36 L.N. [F 876/33/10]

GENEVA, February 6, 1933

The U.K. Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the undermentioned document.

No. and Date

Subject

Sir E. Drummond, Feb. 4.

China and Japan: conversation with
M. Matsuoka.

ENCLOSURE IN No. 297

Record of Interview

GENEVA, February 4, 1933

M. Matsuoka came to see me¹ at my request this afternoon.

I told His Excellency that the Committee of Nineteen had met this morning and had instructed me to give him certain information.² I thought perhaps the best way of effecting this would be to hand him a copy of the communiqué which had been issued after the meeting, and which really gave the full substance of the decisions arrived at.

i.e. Sir E. Drummond.

² See No. 286.

His Excellency read the communiqué and said that it seemed to him that the Committee had almost presented Japan with an ultimatum. I replied that this was by no means so. The Committee had already made two very large concessions of substance from the original texts, and they did not feel able to go further. They were, however, always ready to consider any slight modifications which Japan might propose.

The Ambassador asked whether his last suggestions had been made clear to the Committee? What he intended to propose was that the whole question of the future government of Manchuria should be left open, so that it might be discussed at the Committee of Conciliation. Japan would thus not be asked to recede from the position which she had taken as regards the Manchukuo, nor would any Member of the League be asked to change its attitude by recognition of the Manchukuo.

I said to His Excellency that the Committee fully understood this proposal, but had come to the conclusion that it was not possible to accept it. In the first place, it ran contrary to the recommendations of the Lytton Report. Secondly, assuming for the moment that the Japanese proposal was admitted, what would be the result? The Conciliation Committee would meet and the question of the continuance of Manchukuo would at once be raised. Was it possible that at the Conciliation Committee Japan would agree that Manchukuo should not be maintained? If I understood the Japanese position rightly, they would not consent to any change as regards Manchukuo either now or at the Conciliation Committee; therefore that Committee would break down within a week and the matter would have to come back to the Assembly. I did not think that any member of the Committee would agree to such a procedure.

The Ambassador remarked that I had correctly stated the position, but that what he hoped was that in the Conciliation Committee the Japanese Government might persuade the other members of the Committee, and indeed, even China, that recognition of Manchukuo was the only method of securing a final settlement. He did not himself consider that all possibilities of conciliation had been explored, and he still hoped that a formula might be found which would be acceptable to his Government.

I replied that to my regret I saw no prospect of this. There was a cardinal point of difference, and no formula could overcome it. I then gave His Excellency a copy of the text of the resolution and Statement of Reasons of December 16th, amended so as to exclude any reference to the invitation to non-member States to participate in the Conciliation Committee.

His Excellency remarked that he had heard that some members of the Committee thought that Japan was now playing for time. If this was so, he could assure them that they were mistaken. However, time was often a useful element in establishing peace and in reaching an agreement. I replied that this was sometimes the case, but that the experience of the Members of the League had not been very happy in this respect during the present dispute. From the date on which the Council first took up the matter, time had only shown an aggravation of the situation and fresh steps by Japan. I did

not think, therefore, that the members of the Committee could favour any further delay.

The Ambassador said that this was true, but developments had been due to circumstances and not to the desire of the Japanese Government. Even now, events were occurring in Jehol which might lead to further incidents. But it was not because of these that the Japanese Delegation wished to pursue to its utmost limit the conciliation procedure. If the Committee really insisted on the Manchukuo point, he feared that conciliation was impossible and that Japan would be forced to withdraw from the League, which he personally would greatly regret. I replied that I would also regret it, but that I was convinced that the Committee could not meet him on this point. I would, however, report to them the substance of our conversation.

*M. Bourquin:*³

M. Avenol:

M. Vigier:

M. Sugimura.

³ French delegate to the Disarmament Conference.

No. 298

United Kingdom Delegate (Geneva) to Sir J. Simon (Received February 8)
No. 37 L.N. [F 877/33/10]

GENEVA, February 6, 1933

The U.K. Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the undermentioned document.

No. and Date

Sir E. Drummond, Feb. 4.

Subject

China and Japan: conversation with
M. Sugimura.

ENCLOSURE IN No. 298

Record of Interview

GENEVA, February 4, 1933

M. Sugimura came to see me¹ at the request of the Japanese Delegation to put forward certain new proposals which he thought the Delegation might telegraph to Tokio as their own. The amendments he suggested making to the Resolution and the Statement of Reasons were the following:—

Resolution. Para. 4:

‘Décide que le Comité des Dix-Neuf aurait le mandat de s’efforcer, en collaboration avec les deux Parties, d’assurer la conciliation en vue d’un règlement sur la base des principes et conclusions énoncés au chapitre IX

¹ i.e. Sir E. Drummond.

du Rapport de la Commission d'Etudes, en les harmonisant avec les événements qui se sont déroulés.' (Lytton Report, page 132, English text).

Statement of Reasons. Para. 8:

'The members of the (negotiations) Committee will be guided as regards matters of law, by Parts I and II of the Assembly Resolution of March 11, 1932, and as regards matters of fact by the findings set out in the first eight chapters of the Report of the Commission of Enquiry. As regards the solutions to be considered they will seek them in conformity with paragraph 4 of the resolution on the basis of *conclusions and principles* set out in Chapter IX of the Report of the Commission of Enquiry.'

Statement of Reasons. Para. 9:

'In this connection the Committee of Nineteen note that Japan has recognised the present régime established in Manchuria and that no other Member of the League has done so.

'It is to be noted that the Report of the Commission of Enquiry states in Chapter IX, the principles and conclusions of which the Assembly has adopted in paragraph 4 of the Resolution as the basis of negotiations for a settlement, that a mere return to the conditions previous to September 1931 would not suffice to ensure a durable settlement, and that the maintenance and recognition of the present régime in Manchuria could not be regarded as a solution, and also that a satisfactory régime for the future might be evolved out of the present one without any violent change'.

I said to M. Sugimura that neither he nor I must take any responsibility for these proposals. The most that I could say was that they seemed to me to be likely to be more acceptable to the Committee of Nineteen than anything which had yet been put forward by the Japanese Government. But was there not a danger of a misunderstanding? M. Matsuoka had said to me that the Japanese Government could not, even at the Committee of Conciliation, renounce in any way the independence of Manchukuo.² By accepting the resolution, the idea would certainly be conveyed to the Committee that it had renounced for the future such independence as a final settlement. The question was even likely to be asked at the Assembly as to whether the basis for conciliation meant that the existence of Manchukuo could not be maintained.

M. Sugimura said he saw that difficulty, but he did not think that it was really final. Japan might be ready to modify the régime if a satisfactory system could be evolved for peace and order in Manchuria, though it was true that the Japanese Government to-day could not declare that it was ready to make any modification in the present system.

I said to M. Sugimura that I doubted whether even on this basis conciliation was possible, as I thought that the Chinese negotiators would at once raise the question of the maintenance of Manchukuo, and then the Committee would break up and the Assembly be again called upon to deal with the

² See No. 297.

matter. M. Sugimura said he fully understood the point, and would like to discuss the whole matter with the Japanese Delegation.¹

M. Avenol:

M. Vigier:

M. Haas.

¹ This memorandum was minuted and initialed as follows: 'These proposals are certainly a considerable advance, but they are open to the criticism made by Sir E. Drummond, and I should hardly expect the Committee of 19 to accept them; the Chinese in any case would probably reject them. C. W. Orde 9/2' 'V. W[ellesley] 9/2/33' 'R. V[ansittart] Feb. 10' 'Conciliation is dead J. S[imon] 10 Feb.'

No. 299

Sir J. Simon to Sir M. Lampson (Nanking)

No. 12 Tour. Telegraphic [F 804/33/10]

FOREIGN OFFICE, *February 7, 1933, 12 noon.*

Your telegram No. 31 Tour¹ (of February 4th: Connexion of Chinese Minister with inaccurate press reports).

I am obliged for your telegram and hope for good results from observation reported in last paragraph. Remarks of Minister for Foreign Affairs reported in Mr. Ingram's telegram No. 429² (of December 15th) show that I had every reason to suppose that he had not received full report of my speech at the time when he first commented upon it.

¹ No. 289.

² No. 130.

No. 300

Mr. Patteson (Geneva) to Sir J. Simon (Received February 8, 1.15 p.m.)

No. 73 L.N. Telegraphic [F 886/33/10]

GENEVA, *February 7,¹ 1933, 1 p.m.*

Following from Mr. Eden.

M. Matsuoka came to see me this evening and gave me texts of certain amendments to the draft Resolution and statement of reasons of declamation² which he is proposing to the Committee of 19 on the understanding that the idea of inviting non-member States is abandoned. Amendments are the same as those contained in my despatch No. 37³ of February 6th with the addition of words 'en les harmonisant avec les événements qui se sont déroulés' at the end of paragraph 8 of statement of reasons. These new proposals seem to mark considerable advance on attitude previously taken up by Japanese government.

Please repeat to Tokyo and Peking.

¹ This date of despatch is probably in error for February 8. The telegram was drafted on February 7.

² A note on the filed copy suggests that this should read 'December'.

³ No. 298.

No. 301

Sir M. Lampson (Nanking) to Sir J. Simon (Received February 8, 9.30 a.m.)
No. 38 Tour. Telegraphic: by wireless [F 864/18/10]

Very Confidential

NANKING, February 7, 1933

My telegram No. 32.¹

Suma has had long talk with Minister for Foreign Affairs as result of which he has telegraphed home strongly emphasising unwisdom of forcing the issue over Jehol which would certainly have strong prejudicial effect throughout China including Yangtse Valley and probably also Shanghai.

2. Minister for Foreign Affairs made it clear to him that there was no possibility whatever at present of direct talks or compromise: that Shan-haikuan was no more an isolated incident than Mukden but if later on such possibility should arise he Lo Wen-kan would be the man best qualified to act seeing that (1) He had the necessary courage. (2) He was a Cantonese. (3) Had been long employed in Mukden and (4) belonged to no political party.

3. Suma repeatedly makes the point that Japanese army admittedly took charge in the past, things were different under Saito premiership² and that *government* now controls situation and policy.

4. Minister for Foreign Affairs disbelieves this and quotes recent statement by Japanese Minister for War regarding armed action in Jehol.

Repeated to Peking and Tokyo.

¹ No. 287. ² Admiral Saito had been premier since May 26, 1932; cf. Volume X, No. 374.

No. 302

Mr. Caccia¹ (Peking) to Sir J. Simon (Received February 8, 9.30 a.m.)
No. 87 Telegraphic: by wireless [F 867/18/10]

PEKING, February 7, 1933

Your telegram No. 49.²

We have no information confirming French Minister's report that developments of this character may occur in the immediate future. On the contrary, although some such intention on the part of Japanese military undoubtedly exists, available information goes to support His Majesty's Ambassadors Tokyo telegram No. 37.³

2. French Minister's report moreover does not express views of French Military Attaché who, in discussing situation with our Military Attaché, agreed that so far as was known there was no ground for expecting immediate developments.

3. May I in this connexion invite reference to His Majesty's Minister's telegram No. 32 Tour.⁴

Repeated to Tokyo and Mission.

¹ Mr. H. A. Caccia was Third Secretary in H.M. Legation at Peking.

² See No. 288, note 1.

³ No. 291.

⁴ No. 287.

No. 303

Sir J. Simon to Sir F. Lindley (Tokyo)
No. 70 [F 861/18/10]

FOREIGN OFFICE, *February 7, 1933*

Sir,

The Japanese Ambassador called at the Foreign Office to-day and, as I was unable to see him, left with Sir V. Wellesley a memorandum of which a copy is enclosed containing the reply of the Japanese Government to the question which I had recently put to Mr. Matsudaira as to whether there was any intention on the part of the Japanese Government to occupy Chinese territory south of the Great Wall.¹ His Excellency also left the annexed extract² from the speech of the Japanese Minister for Foreign Affairs of January 21st last.

2. In handing in this document, the Ambassador expressed the hope that, if any public statement had to be made in the House of Commons on the subject, it would be based on this official statement, and that no reference would be made to any observations which he had made confidentially in the course of conversation with me as, for instance, that the Japanese military authorities had been instructed not to advance beyond the Wall.³

I am, &c.,

[(for the Secretary of State)]

C. W. ORDE

ENCLOSURE IN NO. 303

The Japanese Government, as stated in the address of the Japanese Foreign Minister at the Imperial Diet on January 21st, regards the problem of Jehol as coming entirely within the domain of the domestic affairs of Manchoukuo. Japanese military action against the Province of Jehol, however, is necessitated by the treaty obligations with Manchoukuo, and aims at the establishment of peace and order throughout the country. The Japanese Government has no intention of extending military operations to the district comprising Peiping and Tientsin, so long as China desists from provocative actions.

¹ Cf. No. 282.

² Not printed. Cf. No. 240, note 2.

³ Cf. No. 225.

No. 304

Letter from Mr. Matsudaira to Sir J. Simon¹
[F 981/33/10]

JAPANESE EMBASSY, LONDON, *February 7, 1933*

Dear Sir John,

When I had the pleasure of seeing you at the Foreign Office the other day, you referred to an article by a special correspondent in Tokyo that appeared

¹ Filed in the Foreign Office on February 13.

in the 'Times' of the 3rd of this month, a copy of which is herein enclosed for convenience.²

At the time of the conversation, I had no knowledge of the Press news that was alleged to have been contradicted by the spokesman of the Foreign Office, Tokyo. Therefore, I could not offer you an explanation of the matter.

I at once wired to Tokyo, requesting the Foreign Office immediately to communicate to me the contents and origin of the said news dispatch. To-day I have received a reply to the effect that the dispatch in question, as far as they could make out, seemed to refer to one sent by the special correspondent at Geneva of the 'Osaka Mainichi', which appeared in that paper on January 28th. The gist of the said dispatch was given me as follows:

'On the 26th Mr. Matsuoka and Mr. Matsudaira saw Sir John and Mr. Eden. As the result of this interview, Mr. Matsuoka seemed to have thought that a new development of the situation must be brought about. Accordingly the Japanese Delegation will decide their final attitude at a meeting to be held on the 27th. To sum up various informations to hand, Mr. Matsuoka seemed to be intent upon arriving at some satisfactory conclusion of the League discussions, resorting at this juncture to some adequate measure or other.'

Upon thus learning the contents of the Press dispatch in question, I realized that the news itself should be attributed solely to the conjecture made by the correspondent who based his conclusion on the mere fact that we four had met there.

I can assure you that the Japanese Delegation has never failed to exercise the utmost precaution in dealing with newspaper men and has strictly refrained from touching upon any confidential conversation to which any of us was a party. This has sometimes caused some of the Japanese reporters to make conjectures and surmises as to the substance of our conversations, with results which have often been the reverse of satisfactory to us.

We have been all the more careful inasmuch as we were aware that there were grounds for suspicion that many intrigues have been going on in Geneva among certain groups, with a view to estranging Japan from Great Britain and driving Japan into a position of isolation.

I sincerely hope that there will be no misunderstanding as to the attitude of the Japanese Delegation in the matter of publicity.

Believe me,

Yours sincerely,

T. MATSUDAIRA

² Not here reprinted: see *The Times*, February 3, p. 9.

No. 305

Mr. Patteson (Geneva) to Sir J. Simon (Received February 8, 1.15 p.m.)
No. 74 L.N. Telegraphic [F 875/33/10]

Very Secret

GENEVA, February 8, 1933, 1 p.m.

Following from Mr. Eden:

My immediately preceding telegram.¹

Secretary-General informs me that he learns from Japanese member of Secretariat that change of attitude of Japanese Government is due to the influence of the Imperial family and entourage who are admirers of the League and are opposed to extreme policy of military party.

¹ No. 300.

No. 306

Mr. Patteson (Geneva) to Sir J. Simon (Received February 8, 1.15 p.m.)
No. 75 L.N. Telegraphic [F 874/33/10]

GENEVA, February 8, 1933, 1 p.m.

Following from Mr. Eden.

It is unfortunate that in our discussions of Far Eastern question we have often been without advantage of Italian participation.

Signor Aloysi¹ [*sic*] has been here the whole time but he has very seldom attended either drafting committee or Committee of 19. He has generally been represented by a minor and inexperienced official who has contributed nothing to the discussion.

Seeing that Italy was represented on Lytton Commission it is regrettable that she has had inadequate representation here at a time when sane and moderate advice is required to restrain exuberance of smaller Powers. I suppose there is no way of conveying to Italian government how much we should welcome closer and more active collaboration on Committee.

These considerations apply equally to disarmament where effective Italian representation would be of the greatest assistance to us. It is now lacking since even Signor Aloysi has gone.

Repeated to Rome.²

¹ Baron Pompeo Aloisi, *Chef de Cabinet* to Signor Mussolini, was head of the Italian delegation to the League of Nations.

² A telegram to Sir R. Graham (Rome) was drafted in the Foreign Office saying it was desirable to put in a word on the subject. It was cancelled as a result of a note by Sir R. Vansittart suggesting that it would be better for Sir J. Simon to speak to Signor Grandi (Italian Ambassador in London) and adding 'We have several rather nasty steps to be taken at Rome through Sir R. Graham. It wd. be better to change the channel this time. R. V.' Sir R. Graham, however, telegraphed on February 10 that he had given a strong hint and hoped it would produce due effect.

No. 307

*Sir J. Simon to Sir M. Lampson (Peking)*¹

No. 56 Telegraphic [F 836/33/10]

FOREIGN OFFICE, *February 8, 1933, 7.30 p.m.*

Your telegram No. 35 Tour² (of February 5th: Chinese feeling about Geneva proceedings).

My telegrams to Geneva No. 59³ and No. 64⁴ will have shown you the lines on which we are proceeding, and may enable you to exercise a calming influence without actually disclosing their contents. I see nothing in them to which the Chinese can reasonably object. But as our object is naturally to avoid if possible arousing the lasting resentment of either party a definite lead against Japan is as undesirable as one against China.

As regards boycotts, while I am not prepared, in view particularly of methods used in them, to condone them in any circumstances we are not insisting on condemning them in all circumstances. We are not opposing the formula produced by the drafting committee at Geneva which seems reasonable and which runs as follows:⁵

'The use of boycott by the Chinese, previous to the events of September 18th 1931, to express their indignation at certain incidents or to support certain claims cannot fail to aggravate a situation which is already tense.

'The use of boycott by China, subsequent to the events of September 18th 1931, falls under the category of reprisals.

'The Assembly feels bound to add, as a general observation applying to international relations, that measures of violence necessarily tend to provoke counter-measures of violence.'

You will no doubt realise that it is unfortunately not in our power to ensure discretion or even accuracy in reports emanating from Geneva.

Repeated to Tokyo No. 43 and Geneva No. 70.

¹ Sir M. Lampson had left Nanking for Peking on February 7.

² No. 293.

³ No. 285.

⁴ No. 294.

⁵ Cf. Nos. 261 and 279.

No. 308

Mr. Patteson (Geneva) to Sir J. Simon (Received February 8, 8.15 p.m.)

No. 76 L.N. Telegraphic [F 895/33/10]

GENEVA, *February 8, 1933, 7.40 p.m.*

Nanking telegram No. 35.¹

Following from Mr. Eden:—

It is impossible that report of Assembly should avoid containing at any rate some passages not altogether agreeable to China. We have throughout endeavoured to use our influence to ensure that the League shall discharge

¹ No. 293.

its responsibility in a spirit of justice and impartiality. In a committee where extreme views are represented we have tried to steer a straight course and in our efforts to do this we have had to try to restrain those who wish to go too far in either direction. If our action in one direction only is reported it is of course easy to give an entirely wrong impression of our policy. We shall be content to be judged by report in its final form for which we shall share responsibility with all other members of the League.

2. Text of conclusion number 6 relating to boycott as agreed at meeting of January 31st is contained in my telegrams Nos. 40 and 54.² This text was not criticised at any subsequent meeting and letter from Minister for Foreign Affairs referred to in paragraph 2 of telegram under reference may have been written before Chinese delegation here had learned actual text. No exception can reasonably be taken to this text. It recognises distinction between boycott before and after September 18th, 1931, to which Sir M. Lampson draws attention in paragraph 3 of his telegram under reference. While not condoning, it abstains from condemning boycott after that date. It seems to me that in fairness that is as far as Chinese could reasonably expect Assembly to go.

3. If it is thought above considerations may assist Sir M. Lampson to meet criticisms directed against us may I suggest this telegram be repeated to him together with text of conclusion No. 6 if this latter has not already been repeated.³

² Nos. 261 and 279.

³ Mr. Eden's telegram was repeated to Sir M. Lampson as Foreign Office telegram No. 62 of February 9 although the Foreign Office considered that their telegram No. 56 (No. 307) had anticipated this action.

No. 309

*Mr. Patteson (Geneva) to Sir J. Simon (Received February 9, 9.30 a.m.)
Nos. 77 and 78 L.N. Telegraphic [F 896/33/10]*

GENEVA, February 8, 1933, 11.10 p.m.

Following from Mr. Eden.

Drafting Committee met this morning and considered draft of part 4 of report (recommendations) prepared by Secretariat on lines indicated in my telegrams No[s]. 61 and 68.¹ After long discussion it was decided to quote textually the ten principles of Lytton report and in the next section of draft deduce from these in very general terms the nature of régime which would result in Manchuria from carrying out these principles. This would give an opportunity to lay stress on the more essential portion of the ten principles. The most difficult point in this section was that of withdrawal of Japanese forces. This will probably be met by a statement to the effect that presence of Japanese troops outside railway zone² and their military operations is incompatible with solution recommended and that their withdrawal should not be subordinated to other than purely practical considerations.

¹ Nos. 286 and 295.

² Cf. No. 188, note 4.

A later section of draft contains a paragraph (for text see my telegram No. 79)³ dealing with question of non-recognition. I consider that it is of greatest importance that we should accept immediately and without qualification this text which may fairly be construed as complying with spirit of instructions contained in your telegrams Nos. 59⁴ and 64.⁵ In consequence of propaganda to which attention is drawn in paragraph three of Nanking telegram No. 35⁶ we are—quite unjustly of course—suspected of wishing for ulterior purposes to keep open a back door to future recognition of Manchukuo. Assembly's report will be juridically valid even if some members abstain from voting or even vote against it and it is impossible to be certain that all non-member states will be willing to make a formal declaration of non-recognition. Any statement therefore on lines of paragraph 2 of your telegram No. 64⁵—if made in connexion with present text—would almost certainly be twisted as meaning that we had attached to our declaration of non-recognition a condition that would reduce it to a nullity. I propose therefore to accept without reserve text contained in my telegram No. 79³ or any substantially similar version and should be glad to learn as soon as possible whether you approve of this course.⁷

Committee of 19 will meet tomorrow 11.0 a.m. to discuss the new Japanese proposals. Next meeting of drafting committee is not yet fixed.

Repeated by Foreign Office to Peking No. 58 and Tokyo No. 45.

³ No. 310 below.

⁴ No. 285.

⁵ No. 294.

⁶ No. 293.

⁷ In minutes of February 9, Mr. Orde, Sir V. Wellesley, and Sir R. Vansittart agreed that the proposed text (see No. 310) should be accepted, although not altogether satisfactory from the British point of view. Sir V. Wellesley suggested the addition of the words 'in existing circumstances' at the end of the fourth sentence. Sir J. Simon wrote: 'I am very unhappy about all this. The best course seems to be to trust the man on the spot. But he must remember that neither the H of C nor public opinion outside will stand our handing over our future attitude on Manchukuo for all time to the League. If my carefully phrased *addition* and *amplification* are too strong meat, surely "in existing circumstances" is ever so much more objectionable. I cannot see any justification for tying our hands & leaving U.S. free. Before the Assembly meets, a very careful statement will have to be prepared. J. S. 10 Feb.'

No. 310

Mr. Patteson (Geneva) to Sir J. Simon (Received February 9, 9.30 a.m.)

No. 79 L.N. Telegraphic [F 897/33/10]

GENEVA, February 8, 1933, 11.10 p.m.

Following from Mr. Eden.

Following is text referred to in my immediately preceding telegram.¹

'The solution that Assembly recommends excludes maintenance and recognition of existing regime in Manchuria. Such maintenance and recognition does not appear to the Assembly to be compatible with the fundamental

¹ No. 309.

principles of existing International obligations, nor with good understanding between the two countries on which peace in the Far East depends. It is clear that in adopting this point of view and in making present recommendations members of the League intend vis à vis existing regime in Manchuria to abstain from any action consequences of which might prejudice or delay the carrying out of these recommendations. They cannot either co-operate with or recognise this regime.² They intend to abstain from taking any isolated action with regard to the situation in Manchuria and to continue to concert their action amongst themselves as well as if possible with the interested States not members of the League. Moreover as regards signatories of the Nine Power Treaty Article VII stipulates that (quotes text of Article VII).³

² A marginal note on the filed copy here reads: 'in existing circs'; cf. No. 309, note 7.

³ A note by Mr. H. J. Seymour of February 10 said that Mr. Eden had telephoned to Mr. Orde that morning to say that he was hoping for early instructions on telegram 77 (No. 309) and that he proposed to work for the omission of the words 'either co-operate with or' in the text given in telegram 79 (No. 310). He was against trying to insert words such as 'in existing circumstances' after the word 'régime' in the same sentence. Sir J. Simon in a pencilled note wrote, 'of course: that phrase is *far* stronger than mine'.

No. 311

Mr. Patteson (Geneva) to Sir J. Simon (Received February 10)

No. 19 Saving L.N. Telegraphic [F 927/33/10]

GENEVA, February 8, 1933

Following from Mr. Eden:

Mr. Wellington Koo asked to see me this afternoon and expressed some anxiety as to the turn events as he understood them had taken at the Committee of Nineteen. He had been told the Committee had made the Japanese an offer which included the right to make reservations on the Statement of Reasons. He was fearful lest we should agree to a Japanese reservation to paragraph 9 of the Statement of Reasons which would in effect make real conciliation impossible. He was also anxious since he understood that the Committee had made fresh offers recently to Japan. I assured him that this was not so, that the offer to Japan by the Committee had in no way been modified, and that it was clear that if Japan were to accept that offer, the Committee would then have to go to Chinese and ask their views on the matter. He re-emphasised his hope that China would not be asked to accept on the plea of conciliation a basis which must prove unworkable. I took the opportunity to express regret at the reports which I had received from Sir Miles Lampson that erroneous impressions were being conveyed of the part which the British Representative was playing on the Committee of Nineteen, and I emphasised that the concern of the British Government in respect of the report was to give expression to the findings of the Lytton Commission and to uphold the Covenant. Mr. Koo said that he was glad to have that assurance, and that his latest information was that Chinese apprehensions had been somewhat allayed.

No. 312

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 9, 9.30 a.m.)
No. 38 Telegraphic [F 894/33/10]

Confidential

TOKYO, February 9, 1933, 11.45 a.m.

(Your)¹ Telegram No. 30.²

Netherland Minister called yesterday and expressed anxiety about feverish manufacture of munitions of war which has been going on for some time. He is a well balanced and experienced man and is warning his government that threat of sanctions would not merely be resisted but might well be answered by immediate hostile acts without declaration of war.

¹ This word was added in the Foreign Office.

² No. 267.

No. 313

Mr. Patteson (Geneva) to Sir J. Simon (Received February 10, 9.30 a.m.)
No. 81 L.N. Telegraphic [F 928/33/10]

GENEVA, February 9, 1933, 11.45 p.m.

Following from Mr. Eden:—

Committee of Nineteen met in private this morning to consider new Japanese proposals in the form of amendments to drafts of December 15th. Text of amendment[s] is contained in my despatch No. 41¹ of February 8th. Committee agreed that these proposals constituted an advance on attitude previously maintained by Japanese government. But in view of the fact that Manchukuo has been recognised by Japan since the signature of the Lytton Report it was the unanimous opinion of the Committee that the phrase *en les harmonisant* etc. at the end of paragraph 4 of resolution and of paragraph 8 of statement of reason[s] as well as phrase 'might be evolved out of present one etc.' at end of paragraph 9 of statement of reasons, might veil intention on the part of Japanese delegation to claim when the stage of actual negotiations was reached that principle number 7 was not really fully applicable to the situation.

2. Committee were unanimously of opinion that there could not be any real basis for conciliation so long as there was ambiguity on so fundamental a point as China's sovereignty over Manchuria. I supported this view and further pointed out that there seemed to be some justification for Chinese anxiety as to the possible effect of Japanese reservation to paragraph 9 of statement of reasons and I suggested that we should ascertain definitely whether the Japanese having themselves proposed text had abandoned the idea of making reservations.

¹ Not printed. The Japanese proposals handed to the Secretary-General of the League of Nations on February 8 are printed in *L/N.O.J.*, *S.S. No. 112*, pp. 79–80; cf. No. 298, enclosure, and No. 300.

3. Great concern was also expressed over impending Japanese attack on Jehol and many members felt it was impossible position for the League to be busy discussing the texts of conciliation at Geneva, while serious military operations were imminent or in progress in the Far East.

4. Committee decided that the Secretary General should address a letter² to the Japanese delegation quoting textually principle number 7 and asking for definite reply to question whether in accepting the 10 principles of the Lytton Report Japanese government recognised that continuance of existence of 'Manchukuo' which Japan has recognised as an independent state cannot afford solution of the present dispute and that in consequence Committee of conciliation would meet on the understanding that such a solution would be excluded. Committee also decided that President should inform Japanese delegation orally that conciliation could not proceed unless attack on Jehol was abandoned.

5. Drafting Committee will meet 5.30 p.m. today.
Repeat to Tokyo and Peking.

² For the text of the letter sent to the Japanese representative by the Secretary-General on February 9, see *L.N.O.J.*, *S.S. No. 112*, p. 81.

No. 314

Mr. Patteson (Geneva) to Sir J. Simon (Received February 10, 9.30 a.m.)
No. 82 L.N. Telegraphic [F 931/33/10]

GENEVA, February 9, 1933, 11.45 p.m.

Following from Mr. Eden:—

My telegrams Nos. 77 and 78.¹

Drafting Committee met this evening and after approving draft section referred to in paragraph 1 of my telegram under reference discussed the next section providing procedure for carrying out of recommendations. Procedure contemplated is that of negotiations under auspices or with the assistance of a committee of other Powers. Composition, attributes and powers of this committee involve many very complex juridical points in regard to which after long discussion no conclusion could be reached. Drafting Committee will meet again tomorrow.²

Please repeat to Peking and Tokyo.

¹ No. 309.

² Geneva telegram No. 85 of February 10 reported a further failure to reach any conclusion.

No. 315

Sir M. Lampson (Peking) to Sir J. Simon (Received February 10, 5 p.m.)
No. 93 Telegraphic: by wireless [F 955/33/10]

PEKING, February 10, 1933

Your telegram No. 56¹ and Geneva telegram No. 76.²

I am greatly obliged and fully realise that we must avoid any appearance of siding with either party. It was the erroneous impression of anti-Chinese bias that I was concentrating on dissipating. And I think that we can claim that we have succeeded thanks to *démentis* of February 2nd and February 3rd and generally more tactful Reuters messages from Geneva. Half of the trouble is due to press messages, especially Reuters, who is wrongly regarded as at least semi-official apparently, worded with no thought as to their effect upon a sensitive people bordering on a mood of political hysteria and feeling that, though obviously the injured party, the hand of the whole world is against them; whereas they had traditionally expected better treatment from a liberal country like Great Britain.³

Repeated to Mission.

¹ No. 307.

² No. 308.

³ In his despatch No. 208 of February 20 to the Foreign Office Sir M. Lampson wrote that by the time he left Nanking on the evening of February 7 the press agitation had already died down. On his arrival in Peking he received a letter dated February 8 from the Minister for Foreign Affairs confirming the change in the attitude of the Chinese press reports, 'which Dr. Lo characterised as being one of hopeful friendliness towards Great Britain'.

No. 316

Sir M. Lampson (Peking) to Sir J. Simon
(Received February 10, 5 p.m.)
No. 97 Telegraphic: by wireless [F 958/290/10]

PEKING, February 10, 1933

Your telegram No. 4 Tour,¹ third paragraph.

General Officer Commanding and Commander in Chief concur and I have authorised Consul General Tientsin to reply at his discretion to British firms there on lines suggested.

Repeated to Mission.

¹ No. 253.

No. 317

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 11, 9.30 a.m.)
No. 40 Telegraphic [F 963/33/10]

TOKYO, February 11, 1933, 1.45 p.m.

Your telegram No. 48.¹ Paragraph 4.

Opinion generally is considerably aroused by the enquiry of the Committee of Nineteen and it is taken for granted that Japan will not give way as regards the recognition of Manchukuo. It seems probable that reply will not be formulated for two or three days.

Press seem to be unaware of the statement regarding Jehol.

Repeated to Peking.

¹ No. 313 had been repeated by the Foreign Office to Tokyo as telegram No. 48 of February 10.

No. 318

Sir J. Simon to Mr. Patteson (Geneva)
No. 81 L.N. Telegraphic [F 926/33/10]

FOREIGN OFFICE, February 11, 1933, 2 p.m.

Following for Mr. Eden.

Your telegram No. 19 Saving.¹

I am glad you have seen Dr. Koo. It is desirable that you should keep in close contact with the Chinese delegates, since the more you see of them the better chance there will be of preventing or correcting distortions and misrepresentations of our attitude in Geneva or China.

¹ No. 311.

No. 319

Mr. Patteson (Geneva) to Sir J. Simon (Received February 12, 9 a.m.)
No. 88 L.N. Telegraphic [F 971/33/10]

GENEVA, February 11, 1933, 11.10 p.m.

Following from Mr. Eden.

Drafting committee met this afternoon, disposed of juridical difficulties and completed drafting of report. As regards non-recognition only slight drafting amendments were made in text contained in my telegram No. 79¹ except that I objected to word 'co-operate' and this sentence now reads 'they will continue not to recognise this régime *de jure* or *de facto*'. I accepted this provisionally.

2. Committee of 19 will meet Monday and Tuesday² to consider whole report. I explained that I had not had the benefit of legal assistance during

¹ No. 310.

² February 13 and 14.

consideration of juridical difficulties and that I must reserve right to reopen some of these legal points in Committee of 19 if necessary. It was accordingly arranged that part 4 where these juridical difficulties arose would not be considered until Tuesday morning.

3. I am sending text of whole report³ by special messenger tonight. If you have any instructions to give or observations to make in regard to any of juridical points in part 4 of report I beg they may reach me not later than Monday night.⁴

³ An English text of Parts I, II, and III, and a French text of Part IV were received in the Foreign Office on February 13 as enclosures in Geneva despatch No. 46 of February 11.

⁴ A memorandum by Sir J. Pratt setting out the juridical difficulties was telephoned from Geneva on February 11. The Legal Adviser, Sir W. Malkin, in a minute of February 13, wrote that 'the position seems to be that these have been resolved by a provision in the draft report at the end of Section II of Part IV, under which the Committee can refer questions of the interpretation of Section II of Part IV to the Assembly'. He was, however, leaving for Geneva that afternoon with a letter (not traced in Foreign Office archives) from Sir J. Simon to Mr. Eden on the question of recognition and with Sir J. Simon's authorization to deal with any further juridical difficulties that might arise in this connexion in the light of the situation on his arrival.

No. 320

Mr. Patteson (Geneva) to Sir J. Simon (Received February 12)

No. 21 Saving L.N. Telegraphic [F 972/33/10]

GENEVA, February 11, 1933

Following from Mr. Eden:—

M. Saito came to see me this evening on behalf of M. Matsuoka, to say that he feared Japanese reply to letter of Committee of Nineteen¹ must be unfavourable. Japanese Delegation had not yet authority from their government to send it, but he had little doubt that they would receive such authority. He seemed to complain that Committee had isolated the two principles which were the most difficult of acceptance for Japan while leaving out of account, for instance, principle 10, which conditioned the acceptance of the others.

I made it quite clear to him that this was not the intention of the Committee, who merely wished to be assured that Japan really accepted all the 10 principles as a whole without reservations.

I expressed regret that the Japanese Government had not seen its way to accept the suggestion of the Committee that they should accept the December resolution with two modifications, and enquired whether there was yet any hope that this would be possible. M. Saito was unable to give me any encouragement to think that this was so.

He said that he feared that if conciliation finally broke down, it would be necessary for the Japanese Government, under pressure of public opinion, to leave the League. I said that that would be a great loss to the League and would cause us the keenest regret.

¹ See No. 313, note 2.

No. 321

Sir J. Simon to Mr. Patteson (Geneva)

No. 82 L.N. Telegraphic [F 896/33/10]

Important

FOREIGN OFFICE, *February 12, 1933, 9.15 p.m.*

Following for Mr. Eden.

Your telegram No. 88¹ of February 11th. Amended formula 'will continue not to recognise' etc. is distinct improvement, and can be accepted. We cannot take up isolated position in this matter and I have complete confidence in your handling of it. But we must remember that neither Parliament nor public opinion outside would approve of our handing over our further attitude on Manchukuo for all time to League control.

¹ No. 319.

No. 322

Mr. Patteson (Geneva) to Sir J. Simon (Received February 13, 4.15 p.m.)

No 91 L.N. Telegraphic [F 1006/33/10]

GENEVA, *February 13, 1933, 4.26 p.m.*

Following from Mr. Eden.

My telegram No. 88.¹

Committee of Nineteen met in private today and considered first three parts of draft report. The only amendment of any importance was deletion of last sentence of conclusion No. 6 'the assembly' to 'violence'.² This seems to be an improvement. Committee will meet again tomorrow to consider part 4 and it is hoped to call special assembly for Monday February 20th.

¹ No. 319.

² Cf. No. 279.

No. 323

Mr. Patteson (Geneva) to Sir J. Simon (Received February 13, 6.15 p.m.)

No. 92 L.N. Telegraphic [F 1005/33/10]

GENEVA, *February 13, 1933, 6.15 p.m.*

Following from Mr. Eden.

Your telegram No. 82.¹

I am grateful for expression of your confidence, text as now established seems to me fully to guard against objection referred to in last sentence of your telegram under reference. In my view continuance of non-recognition and future concerting of action are both governed by the intention expressed in the previous sentence to abstain from action prejudicial to the carrying

¹ No. 321.

out of the Assembly's recommendation. I feel sure you will agree that this argument should provide a complete answer to any criticism that may be made in the House and unless I hear to the contrary I will assume you share my views and will accept text as it now stands.

No. 324

Sir M. Lampson (Peking) to Sir J. Simon (Received February 13, 5.30 p.m.)
No. 104 Telegraphic: by wireless [F 1004/33/10]

PEKING, February 13, 1933

Minister of Finance arrived at Peking by air on 11th February. He tells me object of his visit is to strengthen the hands of Chang Hsueh-liang both morally and financially.

2. It is evident there is little or no prospect of any 'conciliation' so long as (1) independent Manchukuo remains (2) Japanese troops are not withdrawn from¹ the railway zone. Minister of Finance made it clear that if Japan attacked Jehol Chinese troops would be instructed to resist. He seemed pretty certain that the Japanese would attack early in March by way of Kailu and then later westward from Chinchow.

3. He was evidently anxious to know prospect of League sanctions under Article 16. I was definitely discouraging though no-one could judge in anticipation of events.

4. He said Japan was trying to induce China to regard Shanhaikuan as an isolated affair; that the Chinese had made it clear it was only a part of the whole question and must be treated as such.

Repeated to Mission and Tokyo.

¹ A note on the filed copy suggested that 'from' did not make sense, unless it referred to withdrawal from the Peking-Mukden Railway. Mr. Orde suggested that 'from outside' was meant.

No. 325

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 14, 11.20 a.m.)
No. 41 Telegraphic [F 1009/18/10]

TOKYO, February 14, 1933, 6.32 p.m.

My telegram No. 39.¹

Officer of the General Staff called on Military Attaché this afternoon and stated that in view of Chinese concentration he did not think it possible

¹ In this telegram of February 11, not printed, Sir F. Lindley referred to reports of arrival in Manchuria of Japanese reinforcements and said: 'We believe these reinforcements from Japan are drafts destined to make up existing division in Manchuria to full peace strength and in addition this year's conscripts are being sent.'

attack on Jehol by Japanese troops could be deferred much longer. No fresh units had been sent. China would no doubt appeal under Article 16 of [?] to the League which seemed favourably disposed towards her.

Repeated to Peking.

No. 326

Letter from Sir V. Wellesley to Sir F. Lindley (Tokyo)

[F 747/11/23]

FOREIGN OFFICE, *February 14, 1933*

My dear Lindley,

Your despatch No. 8 (2/19/33) of January 5th¹ enclosed an interesting report¹ by the Military Attaché discussing the possible motives for the Japanese activity in the provision of war material. In so far as such material is imported, it occurs to us that Japan may have been influenced by fear of an embargo on the export of munitions to her from other countries after the League reports on the Manchurian dispute.

However this may be, the Japanese attitude towards Russia is of particular interest. It is suggested in some quarters that the unbending attitude of Japan over Manchuria is due not so much to the obvious reasons of which we have heard so much, as to the necessity she feels of anticipating Russia in view of a war with her which is believed to be inevitable. This belief is reported and discussed in your despatch No. 660¹ of December 9th. I dare say there is nothing more that you can say about it at present, but it would be interesting to have your comments on the suggestion mentioned above that it is the dominating factor in the Japanese Manchurian policy. It is difficult to form a clear view as to the Japanese intentions towards Russia, but it is obviously a most important matter and we should be very glad to hear how far you think an aggressive policy towards Russia may be in the Japanese mind.

Yours ever,

VICTOR WELLESLEY

¹ Not printed.

No. 327

Mr. Patteson (Geneva) to Sir J. Simon (Received February 15, 9.30 a.m.)

No. 96 L.N. Telegraphic [F 1033/33/10]

GENEVA, *February 15, 1933, 1.30 a.m.*

Following from Mr. Eden.

My telegram No. 91.¹

Committee of Nineteen met in private today.² President read Japanese reply³ to letter referred to in paragraph 4 of my telegram No. 81.⁴ This

¹ No. 322.

² This telegram was drafted on February 14.

³ For a printed text of this reply of February 14, see *L/N.O.J.*, *S.S. No. 112*, pp. 81-82.

⁴ No. 313.

reaffirmed Japanese thesis that recognition and independence of Manchukuo were the only guarantee of peace in the Far East. Committee approved reply⁵ that Japanese proposal of February 8th did not afford acceptable basis for conciliation.

2. Committee then completed consideration of the whole draft report which was approved without substantial alteration. Part IV after recapitulating and emphasising principles which should govern settlement of the dispute proceeds to recommendations. These are to the effect (a) that Japanese troops should evacuate Manchuria, (b) that an autonomous regime under Chinese sovereignty should be set up in Manchuria, (c) that parties shall reach settlement of the other questions in dispute between them and (d) that negotiations for carrying out of (a), (b) and (c) should be opened with the assistance of the committees [*sic*] constituted by the Assembly. Report then states intention of the members not to recognise Manchukuo and finally instructs the Secretary-General to communicate copy of the report to the signatories of the Nine Power Treaty who are not members of the League, with a request that they will concert their action and attitude with the League.

3. Negotiations Committee referred to in preceding paragraph will consist of the signatories of the Nine Power Treaty and any member of the Committee of Nineteen who expresses a desire to serve. United States and Russia will also each be invited to nominate a member.

4. Report will be printed⁶ and circulated on February 17th with notices calling Assembly for February 21st. Full text of this report will also be broadcasted from the League Station on Friday to all Governments who wish to pick it up.⁷ Assembly will note that conciliation has failed and will then adjourn until February 24th, to give members time to study the report. It is hoped that proceedings will end February 25th.

Repeat to Tokyo and Peking.

⁵ Printed in *L/N.O.J.*, *S.S. No. 112*, p. 82.

⁶ Printed in *L/N.O.J.*, *S.S. No. 112*, pp. 56-82, as publication No. A (Extr.) 22. 1933. VII.

⁷ According to *The Times* of February 18 (p. 10) the experiment of broadcasting the full English text by wireless telegraphy in morse began at 2 p.m. G.M.T. for western countries and at 2.15 p.m. G.M.T. for eastern countries, on Friday, February 17, and was a success.

No. 328

Mr. Patteson (Geneva) to Sir J. Simon (Received February 15, 9.30 a.m.)
No. 97 L.N. Telegraphic [F 1034/33/10]

Immediate

GENEVA, February 15, 1933, 1.30 a.m.

Following from Mr. Eden:—

My immediately preceding telegram.¹

I request authority to accept immediately invitation to serve on Committee I referred to in paragraph 3 of my telegram under reference. Invitations

¹ No. 327.

are being sent this evening² and Secretary General would like answer tomorrow at the latest if possible.

² This telegram was drafted on February 14.

No. 329

Sir M. Lampson (Peking) to Sir J. Simon (Received February 15, 5 p.m.)

No. 109 Telegraphic: by wireless [F 1058/18/10]

Confidential

PEKING, February 15, 1933

There has been an increase here in feeling of impending events in Jehol, and on February 14th Secretary in charge of Japanese Legation told 'Times' Peking correspondent that in a few days 3 ultimatums would be delivered demanding withdrawal of Chinese troops from Jehol. They would be addressed (a) by Chang-chun government to Tang Yu-lin¹ (b) by General Muto to Chang Hsueh-liang, (c) by Tokyo to Nanking.

2. Confirmation that something may be brewing may lie in the fact that Japanese Legation here are today, February 15th, urgently endeavouring to transfer from Chinese city supply to Legation quarter of² electric light company.

3. French Minister called on February 15th in state of some perturbation and sounded me whether it was not our duty to study possibility of intervention to keep the peace. I pointed out tactfully my conviction that any such effort would be (1) fruitless, (2) certainly untimely, (3) resented by Chinese and that I was carefully and constantly watching developments. He acquiesced somewhat reluctantly and I hope will not press it again.

Repeated to Tokyo and Nanking.

¹ Governor of Chahar and Jehol.

² This word was queried on the filed copy.

No. 330

Mr. Patteson (Geneva) to Sir J. Simon (Received February 15, 6 p.m.)

No. 98 L.N. Telegraphic [F 1057/33/10]

GENEVA, February 15, 1933, 5.40 p.m.

Following from Mr. Eden.

My telegram No. 96.¹

In reply to invitation in your letter² to suggest what steps might be taken to secure United States co-operation in the further stages of the Manchurian dispute, I suggest that after full text of report has been broadcast to America, His Majesty's Ambassador at Washington might express our hope that there will be favourable response to request for continued co-operation contained in part 4 of the report. An early expression of approval of the report, even

¹ No. 327.

² This is presumably the letter referred to in No. 319, note 4.

before its actual adoption by the Assembly next week, would be particularly valuable.³

³ Mr. Eden returned from Geneva with a copy of the report on the night of 16/17 February.

No. 331

Sir J. Simon to Mr. Pattenon (Geneva)
No. 87 L.N. Telegraphic: by telephone [F 1034/33/10]

FOREIGN OFFICE, *February 15, 1933, 6.45 p.m.*

Following for Mr. Eden.

Your telegrams Nos. 96 and 97¹ (of February 14th: Representation on proposed Negotiations Committee in Sino-Japanese dispute).

You may accept invitation by expressing readiness to nominate a representative of the United Kingdom. You should at the same time point out privately to the Secretary General that Nine Power Treaty was signed by representatives of certain Dominions and of India and to say that it is assumed here that invitations have been addressed to them also. If Report refers to 'signatories of Nine Power Treaty' this would appear to be the only proper course. Even if reference in Report is to 'British Empire' as signatory of Treaty, separate invitations to Dominion signatories would still appear to be only proper procedure, since no one Government of His Majesty can alone appoint representatives for the whole of the British Empire, and certain of the Dominions have special interests in the Far East. If however it becomes apparent that there would be strong opposition to Committee including more than one representative from the British Commonwealth (apart from the Irish Free State, as to which see below) you should inform us of position at once, as it would presumably be necessary to discuss situation with the Dominions who might wish to insist on their claim to be represented.

Nine Power Treaty was not signed separately on behalf of Irish Free State which did not then exist but it appears from your telegram that they will in any case have opportunity to nominate representative if they so desire by virtue of their membership of Committee of Nineteen.

¹ Nos. 327-8.

No. 332

Sir J. Simon to Sir M. Lampson (Peking)
No. 132 [F 8864/51/10]

FOREIGN OFFICE, *February 15, 1933*

Sir,

I have had under consideration Mr. Ingram's despatch No. 1412¹ (9/12 M/1932) of the 2nd November last regarding the seizure of the Asiatic

¹ In this despatch, not printed, Mr. Ingram had asked for a ruling as to the attitude he should adopt towards the points raised in an enclosed despatch from Mr. Garstin (Harbin despatch No. 86 of October 10 to Peking).

Petroleum Company's stocks at various places in North Manchuria within the area of fighting between the Japanese forces and the anti-Manchukuo forces opposing them.

2. I agree that it would be waste of labour to approach the Chinese Government with a view to obtain from them compensation for these losses.

3. On the other hand, in order to press a claim against the present governing authorities of Manchukuo it would, strictly speaking, be necessary to show that they are responsible for the state of banditry but for which the seizures would not have been made, or that they were guilty of negligence in not affording adequate protection to the Asiatic Petroleum Company's property. Owing to the extent and nature of the banditry in Manchuria, added to the fact that the seizures were an indirect consequence of a campaign carried out by the Manchukuo Government for the express purpose of suppressing the bandits, this would clearly be a difficult charge to maintain. It would be equally difficult to establish the responsibility of the Japanese Government in the matter.

4. There is, however, no reason why claims in respect of these losses should not be kept in reserve, to be put forward if occasion should arise in the future to recognise the Manchukuo 'Government', when it might be possible, if other considerations allowed of such a course, to induce the latter to satisfy the claims, though under no strictly legal obligation to do so, as a price of recognition.

5. For these reasons, I think it is desirable that His Majesty's Consul-General at Harbin should write unofficially to the Vice-Minister for Foreign Affairs of the Manchukuo 'Government' and bring these losses incurred by British interests in Manchuria to his notice. He should add that His Majesty's Government may eventually feel themselves obliged to enter claims for compensation for them against the responsible authorities—the last two words, by reason of their vagueness, leaving it possible for His Majesty's Government to enter the claims against either the Manchukuo or the Japanese Government, should either course eventually seem desirable. At the same time, Mr. Garstin should express the earnest hope that steps will be taken to prevent further seizures of the Asiatic Petroleum's stocks in future.

6. While considering the suitable action to be taken in respect of these seizures reported by Mr. Garstin, I have given further attention to the losses suffered by the Asiatic Petroleum Company as a result of looting by bands of brigands which were reported by His Majesty's Consul-General at Mukden in his despatch to Mr. Ingram No. 162² of the 15th October last. I appreciate the reasons for approving Mr. Eastes' attitude in refusing to present claims for these losses on behalf of the Company. Nevertheless, the circumstances which might one day make it possible and desirable to present claims in respect of the losses dealt with in the first part of this despatch, might make it equally possible to present claims in respect of these other losses as well,

² Copy received in the Foreign Office on November 11 as Mukden despatch No. 159 of October 15, not preserved in Foreign Office archives.

and I therefore request that you will instruct His Majesty's Consul-General at Mukden to bring them to the notice of Mr. Ohashi in the same terms as the notification which is to be made to him by Mr. Garstin.

7. I am sending a copy of this despatch to His Majesty's Ambassador at Tokyo, together with a copy of your despatch under reference.

I am, &c.,

(For the Secretary of State)

C. W. ORDE

No. 333

*Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 16, 2.45 p.m.)
Nos. 42 and 43 Telegraphic [F 1077/33/10]*

TOKYO, February 16, 1933, 7.45 p.m.

My telegram No. 40.¹ Although Ministry for Foreign Affairs receives hundreds of patriotic telegrams a day urging resignation from the League responsible Japanese press is unanimous in urging patience and in pointing out disadvantage of resignation. There was a heavy fall on Tokyo stock exchange yesterday and it is evident that the nearer a breach with Western Powers comes the less does Japanese public like the prospect.

Minister of the Household (see my despatch No. 514)² has just resigned and been replaced by Doctor . . . asa³ a man of the same stamp as Prime Minister and Count Makino. This is a setback to the military party who as far as we can judge have lost ground lately.

I am inclined to think that there may be something like a slow down [? show down] with the military party before long. They have lost the first trick and the next two will concern resignation from League of Nations and the formation of new Government after the Diet rises. If they lose trick two it will be interesting to see whether they will accept loss of trick three quietly.

Loss of ground by military party is direct consequence of the belief here that sanctions are dead.

Repeated to Peking.

¹ No. 317.

² Of September 27, 1932, not printed. The Minister of the Imperial Household at that time was Dr. K. Ichiki.

³ The text is here uncertain. The reference was probably to Dr. K. Yuasa.

No. 334

*Sir M. Lampson (Peking) to Sir J. Simon (Received February 16, 9 p.m.)
No. 111 Telegraphic: by wireless [F 1085/18/10]*

Very confidential

PEKING, February 16, 1933

Minister of Finance¹ dined with me quietly tonight.² China is more than pleased at attitude of Geneva and feels her moral position has now been

¹ Mr. T. V. Soong.

² This telegram was drafted on February 15.

assured. During his stay here he has been able to ensure sufficient finance for northern troops for a three months' struggle over Jehol and states categorically that China will now resist at whatever cost knowing that time and moral judgment of the world are behind her. Sounded as to any possibility of good offices he confirmed that at present there could be no such question. Let Japan drain her resources to the dregs, China could afford to wait.

2. He rather hankers after withdrawing Chinese Minister from Tokyo but I advised caution and letting the other side make mistakes. Official war would be greatest mistake and apart from other considerations serve to give the other side opportunity to legalise their illegalities. My general advice was to 'hasten slowly' and avoid forcing any issue.

3. I learn from French Minister that on February 13th Minister of Finance sounded him as to loan of four million dollars from French bank for Chang Hsueh-liang secured on tobacco tax: half for munitions of war etc., half for general expenses. French Minister felt bound to refuse to consider it.

No. 335

Sir J. Simon to Mr. Osborne (Washington)

No. 92 Telegraphic [F 1057/33/10]

Important

FOREIGN OFFICE, *February 16, 1933, 10 p.m.*

Geneva telegram No. 96¹ (of February 14th: Draft report on Sino-Japanese dispute).

I shall be glad if you will speak to State Department expressing my hope that United States Government will respond favourably to the request for continued co-operation with the League in regard to the Sino-Japanese dispute which is recommended in the draft report to be considered by the Assembly next week. An early expression of approval of the report even before its actual adoption by the Assembly would be particularly valuable.²

¹ No. 327.

² Cf. No. 330.

No. 336

Mr. Patteson (Geneva) to Sir J. Simon (Received February 16)¹

No. 102 L.N. Telegraphic: by telephone [F 1057/33/10]

Immediate

GENEVA, *February 16, 1933*

Following for Mr. Orde from Sir John Pratt:

Following is text of letter from Secretary General to the representative of the British Empire:—²

Geneva, February 15, 1933

Sir,

As you are aware, the Committee of Nineteen have prepared a report to be presented to the Assembly under paragraph 4 of Article 15 of the

¹ The time of receipt is not recorded.

² Cf. No. 331.

Covenant should the procedure of paragraph 3 of the same article prove unsuccessful.

That report contains a recommendation that the [a] Committee should be established to assist the two parties in negotiations on various points of the dispute between them. The Committee of Nineteen decided that Governments Members of the League and Signatories to the Nine Power Treaty and Governments represented on the Committee of Nineteen though not signatories to the above treaty, should be invited to nominate should they so desire delegates to sit on the Committee for these negotiations as soon as the Secretary General shall have informed them that the two parties accept the recommendations made by the Assembly.

I have the honour to enquire whether your government would be ready eventually to make such a nomination. A reply to this letter which is addressed to you in your double capacity as Member of the Committee of Nineteen and as a signatory to the Nine Power Treaty at the earliest possible moment, and if practicable, not later than Friday, February 17th, would be highly appreciated since the printing of the report cannot be finally concluded until a list of governments prepared so to nominate is established.

I have, etc.,

(Signed) ERIC DRUMMOND,
Secretary-General

End of letter.

I have discussed this matter this morning with the Secretary-General who points out that the Nine Power Treaty is not mentioned in the report. The Committee of Nineteen decided that invitations to nominate members for the Negotiations Committee should be addressed to the Committee of Nineteen and to signatories to the Nine Power Treaty, but Secretary-General feels sure that their intention was *not* to include both United Kingdom and Dominions on Negotiations Committee. There is likely to be strong opposition to the inclusion of Canada and/or Australia owing to the attitude of their representatives during the debate at the Assembly last December, and particularly the speech of the Canadian Representative. Secretary-General has therefore not addressed invitations to the Dominions (other than Irish Free State which is represented on the Committee of Nineteen), but if question of inviting them were raised, he would have to ask for the ruling from Committee of Nineteen which might give rise to a very awkward discussion.

Secretary-General fully understands that we could only nominate a representative of the United Kingdom but, in view of the above difficulties, he will delay for a few days filling in the blank space in the report where should appear the names of the Governments nominating members of the Negotiations Committee.

In these circumstances, the best course would seem to be to abstain from replying to the Secretary-General's invitation until you have explained matters to the Dominions and obtained from them an assurance that they did not want to be represented on the Negotiations Committee. End of message.

No. 337

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 17, 9 a.m.)
No. 44 Telegraphic [F 1084/33/10]

Confidential

TOKYO, February 17, 1933, 1.45 p.m.

My immediately preceding telegram.¹ Military Attaché found general staff yesterday much preoccupied with position into which Japan was drifting owing to attitude of Geneva. Staff officer discussed Article 16 quite freely and expressed opinion that it would be difficult for the Powers to avoid sanctions and that if they were applied Japan must trust to exploiting resources of Manchukuo and China. He was not in favour of Japan leaving the League unless forced to do so.

Japanese friend of mine in correspondence with General Muto told me yesterday that latter was also much preoccupied.

I dined with Vice Minister for Foreign Affairs and made an earnest appeal against attack on Jehol. I pointed out as I had done before that Japanese had no special rights in Jehol and that the province was not at all on all fours with the three Eastern provinces. An attack would be an attack on Chinese regular forces and would be bound to complicate the situation immeasurably. If Japan left the province alone it was most unlikely that Chinese would attack Japanese who were well able to defend themselves. General Muto was a sagacious man and I should not wonder if he shared my views.

Vice Minister for Foreign Affairs was much more concerned by the situation than I ever saw him before but said he feared it was too late to avoid the defence of that part of Manchukuo territory. I denied this and had the impression from long conversation which followed that Vice Minister for Foreign Affairs was himself anxious to avoid the attack.

Special cabinet council and conferences between high officials are announced for today and Japanese authorities seem at last to be realising the danger against which I warned them as reported in paragraph 6 of my despatch No. 358.²

Repeated to Peking.

¹ No. 333.

² Cf. Volume X, No. 511, note 3.

No. 338

Mr. Osborne (Washington) to Sir J. Simon (Received February 18, 9.30 a.m.)
No. 126 Telegraphic [F 1107/33/10]

WASHINGTON, February 17, 1933, 6.8 p.m.

Your telegram No. 92.¹

I saw Under Secretary of State² today.

He assured me that United States government were most anxious to continue to co-operate, but he thought it extremely improbable that they could

¹ No. 335.

² Mr. W. R. Castle, Jr.

approve draft report before its adoption by Assembly, since Japanese would then hold them responsible for adoption.

As regards invitation to membership of negotiations Committee it would be necessary to consult President elect. Meanwhile he was waiting with interest to learn precisely how it was proposed that Committee should assist negotiations. Personally he was sceptical as to negotiations taking place since he doubted whether either China or Japan would agree to negotiate on recommendations contained in report.

No. 339

*Sir M. Lampson (Peking) to Sir J. Simon (Received February 18, 9.30 a.m.)
No. 118 Telegraphic: by wireless [F 1110/18/10]*

PEKING, February 17, 1933

Unusually reliable Japanese correspondent obtained following information from Japanese military here. Drive on Jehol from Chinchow with 8th division and Tungliao 6th division likely to begin any time after February 21st with hopes of reaching Jehol city within a week. Desire is to attain objective by March 1st. Realising difficulty of country for infantry strong air force is being concentrated at Chinchow for bombing purposes. Simultaneously a demonstration is to be made over Peking possibly from aircraft carrier off Taku. Chinese aerodromes at Nanyuan and Chingho and possibly strategic points on railway such as Fengtai are likely to be attacked. If popular pressure does not cause Chang Hsueh-liang's fall it is possible bombs will be dropped on headquarters in city. Military authorities are anxious to avoid any operations within the great wall if possible and Shanhaikuan is to be a defensive front. If direct drive on Jehol is a failure they may however be compelled to act in north China.

Repeated to Mission, Commander-in-Chief, General Officer Commanding and Tokyo.

No. 340

*Letter from Sir J. Simon to Mr. Matsudaira
[F 981/33/10]*

FOREIGN OFFICE, February 17, 1933

My dear Ambassador,

I am very grateful for your letter¹ of the 7th of February in which you were good enough to inform me of the origins of the report from Tokyo which appeared in the 'Times' of February 3rd in regard to our conversations at Geneva.

¹ No. 304.

I am glad to note what you tell me of the precautions exercised by the Japanese delegation at Geneva in their dealings with the Press and I feel certain that they are in no way responsible for the misleading reports which have been circulated.

Yours very sincerely
JOHN SIMON

No. 341

*Mr. Osborne (Washington) to Sir J. Simon (Received February 18, 8.45 p.m.)
No. 129 Telegraphic [F 1114/33/10]*

WASHINGTON, February 18, 1933, 1.56 p.m.

My telegram No. 126.¹

Minister for Foreign Affairs² sent for me this morning. He was anxious that you should know that there was no change in his policy of co-operation with the League and he had every reason to believe that this would remain the policy of the incoming administration.

But he confirmed the objections to preliminary approval of report by United States Government. It would enable the Japanese to misrepresent the adoption of report by the Assembly as due to American inspiration which would greatly detract from its moral effect. And he also apprehended that prior American endorsement might be resented in the Assembly as an attempt by United States government to influence the result of its deliberations.

Mr. Stimson asked me to pass these explanations on to you but to impress on you that his inability to adopt the suggestion in no way implied any departure from the policy of continuous co-operation.

¹ No. 338.

² A marginal note here reads: 'Secy. of State'. Mr. Stimson's memorandum of this interview is printed in *F.R.U.S.* 1933, vol. iii, pp. 186-7.

No. 342

*Memorandum by the Secretary of State for Foreign Affairs**
[F.O. 60/4]

FOREIGN OFFICE, February 18, 1933

*The Far East and Geneva*¹

1. The long-drawn-out efforts at Geneva to establish an agreed basis for conciliation between China and Japan have definitely failed, and, in consequence, it has become the duty of the League, under paragraph 4 of Article XV, to 'make and publish a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard thereto.' The Committee of Nineteen, on which Mr. Eden has been

¹ This memorandum was circulated to the Cabinet and discussed at the Cabinet meeting held on February 22.

representing the British Government in recent weeks, has just completed its task of drawing up the draft report, and this report comes before the Special Assembly for adoption on Tuesday.² The report is unanimous and the *Times* correspondent telegraphs that at Geneva it 'is considered to be a good, honest document of which the League will not need to be ashamed.' I agree with this view. The report follows the line which I have more than once explained to the Cabinet and have indicated to both China and Japan as inevitable if conciliation failed. In substance, the League pronouncement is in accordance with the Lytton Report, and we have consistently maintained at Geneva that, if it became necessary to proceed under paragraph 4 of Article XV, the contents of the Lytton Report would necessarily be regarded as holding the field, for there is no rival account of these matters which could possibly challenge its authority.

2. The part of the report which requires the special attention of the Cabinet is Part IV, which contains recommendations. This declares against 'a mere return to the *status quo* existing before September 1931'—and this is, of course, an implied condemnation of the previous Chinese régime. Coupled with this, is a pronouncement against 'the maintenance and recognition of the existing régime in Manchuria, such maintenance and recognition being incompatible with the fundamental principles of existing international obligations and a good understanding between the two countries on which peace in the Far East depends.' Both these propositions are lifted practically bodily from the Lytton Report itself. There follows, however, a further recommendation on the subject of non-recognition of Manchukuo, to which I would ask special attention.

3. This recommendation runs thus:—

'It follows that, in adopting the present report, the Members of the League intend to abstain, particularly as regards the existing régime in Manchuria, from any act which might prejudice or delay the carrying out of the recommendations of the said report. They will continue not to recognise this régime either *de jure* or *de facto*. They intend to abstain from taking any isolated action with regard to the situation in Manchuria and to continue to concert their action among themselves as well as with the interested States not Members of the League.

'As regards the Members of the League who are signatories of the Nine-Power Treaty, it may be recalled that, in accordance with the provision of that Treaty: "Whenever a situation arises which, in the opinion of any one of them, involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application, there shall be full and frank communication between the contracting Powers concerned."'

As to this very important recommendation, the following points should be noted:—

- (1) The members of the League are already committed to a unanimous resolution adopted last March in connection with the Manchuria trouble to the effect that it was incumbent upon them not to recognise

² February 21.

any situation, treaty, or agreement brought about by means contrary to the Covenant or the Kellogg Pact. This formula was largely the result of communications between myself and Mr. Stimson at the time and had the result of putting ourselves in line with the United States on the matter. The present recommendation is therefore an application to the ascertained subject matter of this preliminary declaration.

- (2) I have always been anxious lest the hot-heads of Geneva, most of whom have no practical concern with the Far East at all, should try to impose upon the Great Powers a decision which would amount to declaring that non-recognition was decreed in perpetuity. The direction of British foreign policy cannot be surrendered to the League in that way, and, in any case, it would not be open to us to bind future Governments for an indefinite length of time. I consider, however, that the formula that members of the League 'will continue not to recognise' is not open to the above objection, and, indeed, it was I that suggested this form of words.³ If circumstances changed and Manchukuo really establishes itself as an independent entity whose inhabitants wish to be separated from China, we can reconsider our position.
- (3) The declaration that members of the League 'intend to abstain from taking any isolated action' is also, I think, defensible and can be accepted. Assuming that, in course of time, a situation arose which called for reconsideration of the decision not to recognise, we should certainly communicate our view to other States interested before acting alone. If a situation arose in which British interests and changed circumstances really necessitated recognition, we have not bound our hands by joining in the declaration that the members of the League intend to continue to concert their action amongst themselves.

4. The importance of this is greatly increased by the fact that the United States and Soviet Russia are not members of the League. The Cabinet will notice that the recommendation speaks of concerting action with non-members. I have already asked the United States Government whether they are prepared to respond favourably to a request for continued co-operation (telegram No. 92⁴ to Washington of the 16th February), and the State Department has replied that the United States were most anxious to continue to co-operate, but that they must await the adoption of the League report by the Assembly before expressing approval.⁵ It goes without saying that, if hereafter an important foreign Government gained advantages for its citizens by recognising Manchukuo, we should at once consider this a serious ground for revising our own position.

5. Mr. Eden is returning to Geneva with the intention of expressing the acceptance by His Majesty's Government of the report as it stands, and I should like to be assured that the attitude of the Foreign Office in this respect is approved. I think that we should resist changes in the report in either

³ Cf. No. 294.

⁴ No. 335.

⁵ Cf. Nos. 338 and 341.

direction and we shall be in a much stronger position to vote against amendments if we show ourselves prepared to stand by the work of the Committee of Nineteen and urge the adoption of the report as it stands. Mr. Eden is hopeful that if the Great Powers take their stand firmly on the draft report it will go through without changes.

6. It is now necessary to look into the future and consider what developments may take place in regard to which decisions will have to be taken by His Majesty's Government. I do not think that final decisions on every detail can be taken in advance, but I submit the following broad reflections to the Cabinet:—

- (1) There must be no resort to economic or other sanctions under Article XVI. At any rate, we must, if necessary, dissociate ourselves from any such proposal. The point is so plain that it does not need argument here. Sanctions under Article XVI are quite inconceivable in the present issue.
- (2) This, however, does not mean that no proposals are likely to be made for modified forms of pressure. It will be said that the members of the League have, in effect, declared that Japan has broken the rules of the League and that, if she continues to break them by extended military operations against China, members of the League ought not to continue to permit their citizens to supply Japan with munitions of war. There are already indications that this issue will be raised in Parliament⁶ and I understand that Sir Austen Chamberlain⁷ has drawn up a resolution⁸ which has been unanimously accepted by the Executive of the League of Nations Union, in favour of a general rule that it is inconsistent with the obligations of the Covenant and the Kellogg Pact for signatories of those Treaties to supply arms to nations which are breaking the Treaty. No doubt the application of any such rule by ourselves could only be contemplated if everyone else, including the United States of America, did the like, and I have recently been told by the United States Government (in reply to an enquiry in connection with the war between Bolivia and Paraguay) that the United States constitution does not permit the Executive to restrict the export of arms.⁹ But I am convinced that we shall be very shortly challenged as to whether we would take this course if all other countries producing or dealing in armaments did the same, and a Cabinet decision will be needed as to the reply which we should give.
- (3) His Majesty's Ambassador at Tokyo reports that Japan is likely to resign from the League, but it remains to be seen whether this prognostication is verified. Under the terms of the Covenant no member can withdraw until after two years' notice of its intention to do so, and this interval gives time for reflection. I do not believe that the

⁶ It was raised on February 21; see 274 *H.C. Deb.* 5 s., cols. 1599–1602.

⁷ Sir A. Chamberlain had been Secretary of State for Foreign Affairs, 1924–27, and First Lord of the Admiralty, August–November 1931.

⁸ See Appendix to this document.

⁹ Cf. *F.R.U.S.* 1933, vol. iv, p. 274.

Japanese Government wants to withdraw, but its public opinion may force it to give notice. Although two years has to elapse before membership ceases, Japan may of course cease to attend, and if she accompanies this with withdrawal from the Disarmament Conference, the prospects of disarmament are definitely worsened, especially on the naval side.¹⁰

J. S.

APPENDIX TO No. 342

The Executive Committee of the League of Nations Union recently passed and notified to the Foreign Office on the 13th February the following resolution:—

‘That it is the opinion of the Executive Committee of the League of Nations Union that, where a dispute between two nations has been the subject of a decision or report by the League of Nations and that decision or report has been accepted by one of the parties to the dispute and is refused by the other, it is incompatible with the obligations of the Covenant and the Kellogg Pact that nations, Members of the League and/or signatories of the Pact, should allow the export of arms to the country in default.

‘That the Executive Committee urges His Majesty’s Government to seek the assent of the Powers signatories of the Covenant and/or the Pact to an international agreement to this effect.’

¹⁰ In a minute of March 6 referring to this memorandum Mr. R. Allen, a member of the Far Eastern department, wrote: ‘§ 6 (3) Japan decided not to withdraw her delegation from the Disarmament Confce.’

No. 343

Sir J. Simon to Mr. Patteson (Geneva)

No. 93 Telegraphic L.N. [F 1102/33/10]

FOREIGN OFFICE, *February 20, 1933, 3.10 p.m.*

Your telegram No. 102¹ (of February 16th. Representation on negotiations committee contemplated under draft report on Sino-Japanese dispute).

Following for Mr. Eden.

Position has been fully explained to Dominion High Commissioners except Irish Free State in order that if any Dominions Government should wish to raise question of representation they may do so direct. We gather that Australia and New Zealand will not wish to be represented. Attitude of the others is not known.

You may accept invitation on behalf of His Majesty’s Government in the United Kingdom without saying anything to the Secretary-General about position of the Dominions.

¹ No. 336.

No. 344

Sir M. Lampson (Peking) to Sir J. Simon (Received February 20, 5.30 p.m.)
No. 123 Telegraphic: by wireless [F 1139/18/10]

Confidential

PEKING, February 20, 1933

My telegram No. 112.¹

Minister of Finance and Chang Hsueh-liang returned from Jehol 19th February and dined with me the same night. They professed complete satisfaction with and confidence in the preparations made to resist the Japanese attack.

2. Chang Hsueh-liang said he feared Japan might take action at or near Chinguantao in which case he would have to resist. I said that I quite understood the Chinese might have to adopt defensive measures but as a general principle I hoped he would remember we had big British vested interests in Kailan area and in that case in his own interest would do well, so far as possible, avoiding prejudicing them. He said most certainly but if hostilities broke out he unfortunately could not guarantee anything.

3. Minister of Finance said it might even be that China in self protection might have to infringe provisions of Boxer protocol (no doubt referring to movements of troops by rail): if that happened he hoped the protocol Powers would not take umbrage. I replied that we must wait and see but that obviously circumstances alter cases.

Repeated to Mission, Tokyo, Commander-in-Chief and General-Officer-Commanding.

¹ In this telegram of February 17 to the Foreign Office Sir M. Lampson stated that Marshal Chang Hsueh-liang, accompanied by the Minister of Finance and General Chang Tso-hsiang, had left very secretly for Jehol that morning.

No. 345

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 20, 11.45 a.m.)
No. 46 Telegraphic [F 1125/18/10]

TOKYO, February 20, 1933, 6.40 p.m.

If operation goes smoothly¹ we do not believe Japanese will go inside the Wall. If there is a serious check we anticipate Japanese will send troops via Tiensien² and drive Chang Hsueh-liang out of Peking. But we do not . . .³ they will stay in China proper any more than they did in Shanghai unless unexpected complications arise.

Repeated to Peking for Commander-in-Chief.

¹ Sir F. Lindley's telegram No. 45 of even date (despatched at 6.40 p.m.) said that it was probable that the attack on Jehol had just been launched.

² In another text of this telegram this word read: 'Tientsin'.

³ The text is here uncertain.

No. 346

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 20, 11.20 a.m.)
No. 47 Telegraphic [F 1121/33/10]

TOKYO, February 20, 1933, 6.40 p.m.

My telegrams Nos. 42 and 43.¹

Instructions to Japanese delegates were sent this afternoon to Geneva. It seems fairly certain that they were to the effect that Japan should resign from League of Nations if Assembly passed resolution in its present form.

Repeated to Peking.

¹ No. 333.

No. 347

United Kingdom Delegate (Geneva) to Sir J. Simon (Received February 22)
No. 59 L.N. [F 1187/33/10]

GENEVA, February 20, 1933

The U.K. Delegate to the League of Nations presents his compliments, and has the honour to transmit copies of the undermentioned document.

No. and Date

Subject

Minute by Brigadier Temperley,¹
Feb. 17-18.

China and Japan: conversation
with General Tatekawa.²

ENCLOSURE IN NO. 347

Minute of Conversations with General Tatekawa at Geneva

Mr. Cadogan.

General Tatekawa lunched with me to-day. He tells me that Mr. Matsuoaka definitely advised the Japanese Cabinet to accept the whole of the proposals for conciliation, including the invitation to the United States and the U.S.S.R., and that he himself had tendered precisely similar advice to General Araki, the Minister of War. They were, however, overruled by the Cabinet in Tokyo. He does not know what the final decision of the Cabinet may be, but there is to be a special meeting this afternoon. The result looks a foregone conclusion, but he still thinks it possible that at the last minute the pressure of the business community may be strong enough to prevent a withdrawal, owing to the probable further depreciation of the yen and the adverse effect upon trade of a decision to leave the League. In the event of a Cabinet decision to leave, General Tatekawa does not think that there is the least likelihood of the Council of Elder Statesmen taking a contrary view. He confirmed that an ultimatum was on the point of being sent to the young

¹ Head of the War Office section of the British delegation to the Disarmament Conference.

² Japanese military representative to the League of Nations Assembly.

Marshal and that the Japanese had every intention of invading Jehol in the immediate future. He had received a personal telegram from the Chief of Staff of the Kuantung Army (the Army in Manchuria) informing him that they would not enter Jehol via Tientsin and Peking, but would attack it from the East. The Japanese General Staff estimated the total Chinese forces in Jehol at approximately 200,000: the young Marshal had sent 60 to 70 thousand troops; the Governor of Jehol had approximately 30,000; there were about 70,000 Chinese troops who had been defeated by the Japanese Army in Manchuria and who had retired into Jehol; and in addition there were probably about 30,000 bandits. General Tatekawa anticipated that they would use four Japanese divisions. In an invasion from the east the line of communication would be long and difficult, but they would probably use the troops from Manchukuo to protect it, which was all they were fit for. He did not believe that there would be any fighting. The young Marshal had told the Japanese Minister in Peking that he only wanted there to be a small skirmish to begin with in order to save his face and that he would then gladly withdraw his troops and plead the superior equipment of the Japanese, in particular the fact that they were provided with bombing squadrons, whereas he had none.

A. C. TEMPERLEY
Brigadier

17th February 1933

Reference the record of my conversation with General Tatekawa yesterday, he has just received a telegram from his General Staff and wishes to make the following corrections in their estimate of the Chinese troops in North China:—

(a) In Jehol:—

Regular troops belonging to the Young Marshal and Governor of Jehol	83,600
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Irregular troops, bandits and remnants of Chinese troops ejected from Manchuria.	60,500
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(b) In the vicinity of Shan-hai-Kwan	79,600
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(c) In Peking	90,000
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I am informing the War Office of this by telegram.

A. C. TEMPERLEY
Brigadier

18.2.33.

No. 348

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 21, 9.30 a.m.)
No. 48 Telegraphic [F 1143/33/10]

TOKYO, February 21, 1933, 11.15 a.m.

Since text of resolution was published press has become unanimous in supporting resignation from the League if resolution is passed.

Repeated to Peking.

No. 349

Note from Sir J. Simon to the French Ambassador

[F 735/18/10]

FOREIGN OFFICE, February 21, 1933

Your Excellency,

With reference to my Note No. F 501/18/10¹ of the 23rd ultimo respecting the proposal that representations should be made to the Japanese Government by the Powers signatory of the Boxer Protocol of 1901 expressing their anxiety that the régime set up by the Protocol should be observed, I have the honour to inform Your Excellency that the United States Government on the 1st February informed His Majesty's Government in the United Kingdom that they considered that such representations would do more harm than good.²

2. The other Governments signatory of the Protocol have, it is learnt, agreed to the proposal, but in view of the lack of unanimity among the signatory Powers and of the changed situation, His Majesty's Government are not disposed as at present advised to pursue it.³

I have, &c.,

(For the Secretary of State)

C. W. ORDE

¹ Cf. No. 236.

² Cf. No. 272, note 2; minutes attached to the Washington telegrams there mentioned show that it had been agreed in the Far Eastern department and by Sir V. Wellesley on February 3 that in view of the State Department's reply the proposed action at Tokyo should not be proceeded with unless there were signs of a fresh advance by the Japanese. These minutes were not initialed by Sir J. Simon until February 19.

³ A similar note was sent to the Spanish Ambassador on February 21. Telegrams giving the same information to H.M. representatives at Rome (No. 31), Brussels (No. 7), The Hague (No. 4), Madrid (No. 12), Tokyo (No. 57), and Peking (No. 80) were sent from the Foreign Office on the same date; the information was repeated to Geneva in telegram No. 108 L.N. also of February 21 and to Paris in telegram No. 323 of February 22.

No. 350

Letter from Mr. Orde to Sir J. Pratt (Geneva)

[F 902/33/10]

FOREIGN OFFICE, February 21, 1933

My dear Pratt,

I enclose a copy of a letter which the Secretary of State has received from Bill Astor¹ setting out arguments for constituting Consular Committees in Mukden and Harbin for the purpose of keeping the Assembly informed of developments there in the next few months.

¹ Mr. W. W. Astor had been private secretary to Lord Lytton on the League of Nations Commission.

The Secretary of State has expressed agreement with departmental views to the following effect:—

We are doubtful as to the utility of any such committee, and find it rather difficult to see what authority the League would have for setting up a Committee to watch over the administration of Manchukuo unless it were in some way seized of the matter as a result of steps taken by China and Japan in pursuance of the Assembly's forthcoming report and recommendations. The League is not likely to do any good by continuing 'meddlesome' tactics after issuing its report and recommendations. If there turns out to be a general desire for such a committee as a component part of some machinery for a definite purpose of which we can approve, possibly there would be no objection to our agreeing to take part in it. But if such a body were constituted without a very definite mandate, strictly limited both as to terms of reference and the duration of its activities, there is a risk that the League and we might find ourselves saddled with the affairs of Manchukuo in perpetuity.

We should be glad to know whether the delegation have any observations to make on Astor's proposal. I daresay no one will revive it, but it is possible that someone will.

You will notice that Astor quotes as a precedent what was done at Shanghai, but there is evidently no real analogy, since the Shanghai Committee² was set up for a definite purpose, viz. to provide authentic information to assist the League to come to a decision on a dispute still *sub judice*.

Yours ever

C. W. ORDE

ENCLOSURE IN No. 350

Letter from Mr. W. W. Astor to Sir J. Simon

4, ST. JAMES' SQUARE, S.W. 1, February 7, 1933

Dear Sir John,

At Londonderry House last night, you suggested that I should put in written form the arguments for the suggestion that the League should appoint Consular Committees in Mukden and Harbin, to keep the Assembly informed of the developments of the situation in the next few months.

The proposal was first made by the Dutch delegate in his speech to the Special Assembly in November. I imagine that the coming Assembly Resolution will declare the Manchurian question not to be a closed one, and possibly the Committee of Nineteen or the Council will be instructed to watch events as they develop and would therefore need local information. The Dutch proposal is exactly analogous to what happened in Shanghai where a Consular Committee reported on the situation at intervals direct to the League.³

² See Volume IX, No. 192.

³ Mr. Orde made the following marginal comment against this sentence: 'in order to help the League to come to conclusions & promote the peace. There is no real analogy now. C. W. O.'

The appointment of such committees at Mukden and Harbin would, of course, be favourably received in China as it would show the Powers were not washing their hands of the whole affair. I think also it is a proposal to which the Japanese government would find it very hard to maintain an objection. Similarly it would reassure the smaller Powers that the Great Powers, whose representatives would in the main compose the consular committees, were using League machinery to deal with this situation.

But the main advantage I see in the proposal is the ameliorative influence that such committees would have on the local situation in Manchuria. When I was discussing the question with Dr. C. Walter Young, an expert on the Manchurian question who was attached to the Commission and who lives out there, he said that no one who did not know the situation on the spot would realise the beneficial influence that such a Committee would have. Publicity and public opinion have been the most effective weapon of the League on such questions as Minorities and Mandates, and the publicity of three or six-monthly reports to the League on the developments of the situation would do much to make things easier for the Chinese population, the White Russian and other minorities and for foreigners residing in the country.

Although the League will probably have to acquiesce, although unwillingly, in the fact of Japan's being in Manchuria for the present, it can still do a lot to temper the wind for the inhabitants. The recent alleged massacres of Chinese villagers, the bombing of villages, the unsatisfactory police situation in Harbin, infringements of the Open Door etc., could all be made the subject of report to the League. The mere threat of publicity would probably usually be effective. It would also enable the Powers to speak with a collective voice on such questions and would save any one power from the odium of taking the matter up separately.

It seems at least probably that the U.S.A. would co-operate with such a body—either by full membership, as in the case of the Lytton Commission, or by close cooperation practically equivalent to membership as in the case of the Shanghai Committee.

The proposal would also keep the whole question open, and enable the Assembly to modify its policy in accordance with developments. The Japanese have always asked the League to adopt a waiting policy, and it would be easy to use the argument to them that instead of proceeding further under articles XV and XVI the Assembly would be agreeing to their suggestion and would watch through Consular Committees on the spot the Manchurian situation.

Of the personnel available: At Mukden we have a most able Vice-Consul in Denzil Clark,⁴ who at the end of the war was a much-decorated Colonel at the age of 23; he would make an admirable secretary to the Committee at Mukden. At Harbin the most active and informed personality is the American Consul General, Hanson,⁵ who is Senior Consul now.

⁴ Lt.-Col. Denzil Harwood Clarke had been Vice-Consul at Mukden since November 28, 1931.

⁵ Mr. George Charles Hanson had been U.S. Consul-General at Harbin since 1931.

I hope that this proposal will not be lost sight of at Geneva, as I am sure it would be quite the most helpful and practical thing the League can do in the present situation.

Yours sincerely
BILL ASTOR

No. 351

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 23)

No. 112 [F 1931/18/10]

Confidential

TOKYO, February 21, 1933

Sir,

Ever since the beginning of the year it has been evident that the most immediately critical problem in connexion with the Manchurian imbroglio was connected with the Province of Jehol, which, though included as an integral part of the so-called State of Manchukuo, has never been occupied by Japanese troops. Nor was this the only point in which Jehol differed from the other Three Eastern Provinces. Geographically, its neighbourhood to Peking would make its possession by Manchukuo a direct threat to the old capital; and, commercially, Japan possesses in the province none of those treaty rights and railway concessions which are undoubtedly hers in South Manchuria. From the Manchukuo point of view, the advantages of possessing Jehol lie principally in the opium revenue which it is hoped to obtain from the province and in the fact that, so long as it is not brought into subjection, it is a much easier matter for Chinese influence and Chinese material assistance to filter into the rest of Manchukuo than would be the case were the frontiers of that State bounded by the Great Wall.

2. In these circumstances I have felt for some time that one of the most desirable directions in which the influence of this Embassy could be directed was towards preventing an attack by the Japanese on Jehol. And I feel it is necessary to explain why, up to a short time ago, I did not consider it wise to take the matter up, in a personal capacity as a friend of Japan, with the Minister for Foreign Affairs. The fact was that I feared that, if I pointed out to the Japanese authorities the danger which they would incur of coming up against Article 16 of the Covenant should they attack Jehol in the future, the result might well be that they would attack it at once before the Assembly had time to pass any resolution under paragraph 4 of Article 15. Although such an attack might, in the end, have served the larger interests of peace in the Far East better than a postponement, I felt that the future was too uncertain for me to say anything which could possibly be used as an argument for making an attack of which His Majesty's Government could not possibly approve.

3. During the last fortnight the position has changed owing to the sequence of events at Geneva, and I felt that a serious effort, however hopeless, should be made to prevent the Japanese taking action which could only consolidate

the general hostility of the world against them still further. I have, therefore, during the last fortnight taken the opportunity to speak on the subject of Jehol to several of my Japanese friends who were likely to repeat my conversation in official quarters, and have pointed out to them the unnecessary folly of interfering with a province in which they have no special rights or interests. And I have been encouraged to do this because I have felt for some time, as reported in my telegram No. 12¹ of the 9th ultimo, that the Japanese authorities did not really, in their hearts, regard Jehol as in quite the same category as the other Three Eastern Provinces; and that the greater reluctance recently shown to contemplate military action which would take them through the Tientsin and Peking areas proved that they were becoming alive to the dangerous possibilities of an extension of hostilities to North China.

4. Such was the position on February 16th when the Military Attaché called on the Deputy Chief of the Japanese General Staff to thank him for the message of condolence despatched on the occasion of the death of the late Sir William Robertson.² Colonel James found the office in an unusual state of anxiety; and, on observing to the Staff Officer who usually received him, and with whom he is on intimate terms, that he presumed they were all very busy, he was informed that little work was being done, but that the officers of the Staff had spent most of the day in examining the League Covenant and discussing the possibilities opened by the approaching adoption of a resolution by the Assembly under paragraph 4 of Article 15. And Colonel Maruyama expressed his personal opinion that he did not see how, if the Japanese attacked Jehol and the Chinese appealed to the League, Great Britain, with the best will in the world, could avoid applying sanctions without failing to carry out her treaty obligations. Colonel James naturally did not offer any explanations on this point and Colonel Maruyama went on to say that the General Staff were not in favour of Japan leaving the League unless she was forced to do so; but that, if sanctions were applied, they believed that they were able to face the situation with the resources of Manchukuo at their back and the possibility of exploiting China if the struggle was a long one. From the whole conversation Colonel James got the impression that the General Staff were beginning to realise for the first time all the disagreeable developments to which their total disregard of the feelings of the rest of the world were rendering them liable.

5. On the same day I happened to meet Count Soyeshima at lunch and had a long talk with him afterwards. The Count is something of a busybody and his opinion carries but little weight in this country; but he is on intimate terms with most of the Japanese leaders and corresponds, amongst others, with General Muto. It should be added that the Count has been throughout an opponent of Japanese policy in Manchuria and has expressed his misgivings regarding the outcome with considerable freedom more than once.

¹ Cf. No. 194, note 1.

² Field-Marshal Sir W. R. Robertson, Chief of the Imperial General Staff 1915-18 and G.O.C. British Army of the Rhine 1919-20, had died on February 12.

On the present occasion he informed me that he had had several letters from General Muto who was very seriously concerned with the position into which Japan was drifting. It was not so much the internal difficulties of Manchukuo which made him anxious, as the future of the whole enterprise and the isolation of Japan. General Muto considered that the true policy for his country was to work in the closest co-operation with America and Great Britain in the future, and we discussed the practical difficulties of such a policy at the present time. I have always heard that General Muto belonged to the prudent school of Japanese soldiers and that he shares many of the qualities which have made Admiral Saito so much respected in this country. Unfortunately reports seem to show that he is overshadowed in Manchuria by General Koiso, his forcible Chief of Staff, who probably has more influence with the all-important younger officers than has the statesmanlike Ambassador.

6. On the evening of the 17th I was dining with Mr. Arita, Vice-Minister for Foreign Affairs, and, before going there, I made up my mind to take the opportunity of making a serious appeal to him to use his influence in preventing the attack on Jehol which had been so long prophesied as due towards the end of this month or the beginning of March. After dinner I had a lengthy conversation with Mr. Arita and began by reminding him that I had spoken to him about Jehol at a tea-party a week ago and had pointed out to him then that Japan had no special rights or interests in the province and that its possession by Manchukuo was a much more serious matter for China and the Powers than was the case as regards the Three Eastern Provinces. I added that I knew the Military authorities, like the Military authorities of every other country, considered that the frontiers of Manchukuo must be guarded against the infiltration of Chinese bands and Chinese influence by the occupation of Jehol, but I pointed out that, once the province was occupied, we should hear the same arguments applied to the neighbouring districts which included Peking. And when they had been occupied, we should no doubt be told that it was essential to push the borders of the State further south in order to prevent infiltration from other quarters. In fact, there was no end to this kind of policy and I could not overstate the dangers of embarking on it. Jehol had never been occupied by Japanese troops, and the only wise course for the Japanese at the present moment was to remain quiet. It was inconceivable that the Chinese would attack the Japanese in the Three Eastern Provinces; and, if they did so, the Japanese were well able to defend themselves. But if the Japanese troops were now to attack Jehol, it would be an attack on regular Chinese troops; and it would place the League of Nations, and especially His Majesty's Government, in an exceedingly difficult position. I was speaking to him entirely as a friend of Japan and as the representative of a country traditionally friendly to Japan, and I thought the least the Japanese could do was not to make the position much worse than it already was by making this attack on Jehol.

7. As a rule when I have had conversations of this nature with Mr. Arita in the past, I have found him, though perfectly courteous, confident of the success of Japanese policy and obviously not seriously disturbed over the

future. On the present occasion there was no trace of this confidence and it was clear that he was anxious regarding the trend of events. Without attempting to deny that an attack on Jehol was most undesirable, he expressed the fear that it was too late to avoid it. This I denied, pointing out that no extra troops had been sent to Manchuria for the attack and there was obviously no necessity to carry it out. All the Japanese had to do was to remain quiet and avoid a great deal of expenditure, which they could ill afford. There was plenty of scope for their energy in restoring prosperity to the Three Eastern Provinces without upsetting affairs in the Fourth.

8. Mr. Arita then went on to ask me what would happen supposing the Japanese did refrain from occupying Jehol. The Draft Resolution was shortly to be before the Assembly and it contained a demand that the Japanese troops should withdraw to the Railway zone, which was absolutely impossible to accept. It seemed to him that it made very little difference whether Jehol was occupied or not; since the Assembly was now thoroughly hostile and would, in any case, encourage the Chinese to make as much trouble as possible. And it would be much easier for the latter to do this if they could continue to use Jehol as a base.

9. I replied that I could not, of course, say what would happen in the future but that it seemed to me evident that the Powers would be much more concerned by the extension of the trouble to the Province of Jehol, which might be said to dominate Peking, than by a continuance of the occupation of the Three Eastern Provinces by Japanese troops. More than that I was not in a position to say; since the policy of His Majesty's Government was bound up with that of the League. My impression of the conversation was that Mr. Arita would be only too glad if an attack on Jehol were avoided, and I have no doubt that he reported what I said to Count Uchida.

10. One of the developments which has increased the anxieties of the Japanese of late is the belief that Mr. Roosevelt³ may recognise the Soviet Government and thus help to complete the 'encirclement' of Japan. Without actually referring to the disagreeable aspect of such recognition Mr. Arita, in the course of his conversation, asked what I thought of the chances of its occurring and expressed his own opinion that it was probable. I replied that I had no information on the subject but it seemed an obvious possibility.

11. Finally, Mr. Arita asked me whether I could explain why the Committee of Nineteen had asked the Japanese Government to state definitely whether they were willing to forego [*sic*] the recognition of Manchukuo. Surely the attitude of the Japanese Government was already perfectly clear from the official Japanese declarations so frequently made on the subject. The question seemed completely superfluous and merely calculated to close the door to conciliation. I replied that I imagined that the Chinese, or possibly the Committee of Nineteen, had felt that conciliation was impossible unless the independence of Manchukuo was given up and that a definite statement on the point one way or another was absolutely necessary. I should mention that reports from Geneva have ascribed the initiative in posing this

³ Cf. No. 206, note 3.

disagreeable question as due to Captain Eden; and Mr. Arita asked me, rather pointedly, when you intended to return to Geneva.

12. Since the above conversation took place, the text of the Draft Resolution prepared by the Committee of Nineteen has been published; and the newspapers which had, as reported in my telegram No. 42⁴ of the 16th instant, been urging patience and pointing out the desirability of remaining in the League, have changed their tone. The point to which the greatest objection is taken is that calling on the Japanese troops to withdraw to the Railway zone. This is held to be preposterous and to provide convincing proof that Geneva understands nothing of the real situation.

13. The terms of the Draft Resolution seem to have had much the same effect on the Japanese Government as on the Press. The hesitation and doubt, reported in my telegrams Nos. 42, 43 and 44 of the 16th and 17th instant,⁵ have disappeared before the conviction that the League is so hostile to the only policy compatible with Japanese interests that no future action of Japan can make any difference. 'As well be hanged for a sheep as for a lamb' is the feeling both of official and unofficial Japan; and it is a feeling which opens all kinds of dangerous possibilities. For the moment it has led to the attack on Jehol, inevitable in any case unless the Chinese were willing to make a bargain, and to instructions being sent to the Japanese Delegation at Geneva to withdraw from the League if the Assembly, as is believed here to be certain, adopts the Draft Resolution unaltered. It may well lead to worse things than these.

I have, &c.

F. O. LINDLEY

⁴ No. 333.

⁵ Nos. 333 and 337.

No. 352

Mr. Patteson (Geneva) to Sir J. Simon (Received February 22, 9.30 a.m.)
No. 115 L.N. Telegraphic [F 1169/33/10]

GENEVA, February 22,¹ 1933, 1.20 a.m.

Following from Mr. Eden:

Assembly met this afternoon² and after hearing President's statement on proceedings since last meeting culminating in the final failure of conciliation, agreed to his proposal that Assembly should meet again Friday³ morning to consider draft report.

At subsequent private meeting of Committee of Nineteen Secretary-General stated the following states had accepted the invitation to nominate a delegate on the Committee for negotiations: Germany, Belgium, Spain,

¹ This telegram was drafted on February 21.

² For the record of the proceedings of the Assembly on February 21 see *L/N.O.J., S.S. No. 112*, pp. 11-13.

³ February 24.

France, Italy, Netherlands, Portugal, Czechoslovakia, Turkey, United Kingdom and Irish Free State; Poland had not yet replied and the others had declined. Secretary-General explained that Dominions expected the invitations as signatories of Nine Power Treaty but that only Canada would accept, Committee agreed that invitation should be sent.

No. 353

Mr. Patteson (Geneva) to Sir J. Simon (Received February 22, 9.30 a.m.)
No. 116 L.N. Telegraphic [F 1171/33/10]

GENEVA, February 22, 1933, 1.20 a.m.

My immediately preceding telegram.¹

Committee of Nineteen will meet again on Thursday² afternoon to discuss procedure at Assembly meeting on Friday. There seems to be general agreement that there should be no speeches beyond those of the President and parties. A difficult question that must be decided on Thursday is whether special Assembly should remain in session after adoption of report. In private conversation after meeting Monsieur Benes argued strongly in favour of continuance of special Assembly or Committee of Nineteen particularly in view of impending attack on Jehol. He observed that if attack took place China would almost certainly find means of preventing the League from ignoring further development of dispute. Monsieur Hymans was strongly opposed to continuance of Assembly as was Monsieur Massigli³ who seemed, however, to consider it was unavoidable. Sir Eric Drummond pointed out that whether Assembly continued in being or not and he would prefer latter, committee of negotiation *could* be set up at once and act in place of Committee of Nineteen. New committee would have smaller and more responsible personnel and would be more likely to secure the co-operation of United States. I agree with Secretary-General's view.

¹ No. 352.

² February 23.

³ Head of the League of Nations Section of the French Ministry of Foreign Affairs and a member of the French delegation at Geneva.

No. 354

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 22, 9.30 a.m.)
No. 49 Telegraphic [F 1170/33/10]

TOKYO, February 22, 1933, 3.20 p.m.

My telegram No. 47.¹

Vice Minister for Foreign Affairs informed me today that instructions had been sent to Japanese delegates to vote against the resolution and leave Geneva if it was adopted unaltered. Withdrawal from League of Nations would then be passed *pro forma* and ratified by the Emperor.

Repeated to Peking.

¹ No. 346.

No. 355

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 22, 10.15 a.m.)
No. 50 Telegraphic [F 1172/18/10]

TOKYO, February 22, 1933, 4.8 p.m.

My telegram No. 46.¹

All telegrams about Jehol are being strictly censored but we believe operations are confined at present to skirmishes preliminary to serious fighting.

I expressed to Vice Minister for Foreign Affairs this morning great anxiety lest a check should lead Japanese military authorities to land at Tientsin and Peking where presence of Legations and their guards would cause a most delicate situation. Vice Minister for Foreign Affairs assured me there was no cause for anxiety. Japanese military authorities were quite alive to objections to advance into North China and there was no fear of it even if there was a check in Jehol.

Although I do not doubt *bona fides* of Vice Minister for Foreign Affairs his statement must not be taken as official assurance that in no circumstances will advance take place. Our view is that all parties here are anxious to avoid it but that it may occur either on account of local military developments or as reaction against further hostility from the League.

Martial ardour is again being fostered.

We have reason to believe that some preliminary warning has been given navy to be ready for eventualities.

Repeated to Peking for Commander-in-Chief.

¹ No. 345.

No. 356

United Kingdom Delegate (Geneva) to Sir J. Simon (Received February 24)
No. 64 L.N. [F 1221/33/10]

GENEVA, February 22, 1933

Sir,

I have the honour to enclose copy of a document entitled 'Observations of the Japanese Delegation on the draft Report submitted to the Assembly by the Committee of Nineteen'.¹ Monsieur Matsuoka handed me this document during the meeting of the Assembly yesterday and stated that this was Japan's last effort at conciliation. I informed him in reply that I would study the document with the greatest care.

2. The 'Observations' consist of a justification, on lines with which we are now familiar, of Japanese actions in Manchuria, a criticism of the draft report and its recommendations, and an appeal to the League to think twice before taking their decision. In no sense can they be regarded as an effort at conciliation.

¹ This document is printed in *L/N.O.J.*, S.S. No. 112, pp. 85-87.

3. Copies of the 'Observations' have also been communicated to the Press and have been circulated to members of the Special Assembly by the Secretariat at the request of the Japanese Delegation.

I have, &c.,
ANTHONY EDEN

No. 357

Sir M. Lampson (Peking) to Sir J. Simon (Received April 11)
No. 221 [F 2366/70/10]

PEKING, February 22, 1933

His Majesty's Minister, Peking, presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and transmits herewith three copies of the undermentioned paper[s].

Name and Date

Subject

From H.M. Consul-General, Shanghai,
P/L despatch No. 37¹ of 8/2/33.

Anti-Japanese Boycott.

To H.M. Consul-General, Shanghai,
despatch No. 51 of 22/2/33.

ENCLOSURE 1 IN No. 357

Letter from the China Printing and Finishing Company, Limited, Shanghai, to H.B.M. Consul-General, Shanghai

February 6, 1933

Sir,

We are glad to advise you that since the visit of His Majesty's Chargé d'Affaires to the Waichiaopu on our behalf,² most of the cities that used to seize our goods now pass the same, with a few exceptions of which the cities in Hunan are the principal.

The Province of Hunan was a very large consumer of our goods but it has been closed to our trade for over a year. The British Consul, at Changsha has done his best to remove the embargo but so far without any success.

We shall be much obliged if you could request the British Minister to take suitable steps to remove the embargo in Hunan, especially in the Provincial capital city of Changsha.

Thanking you in advance,

Yours faithfully,

JAMES ASHTON,
Managing Director

¹ This formal covering despatch, not preserved in Foreign Office archives, transmitted the letter printed as enclosure 1 below.

² Cf. No. 42.

ENCLOSURE 2 IN No. 357
Sir M. Lampson to Sir J. Brennan
No. 51

PEKING, February 22, 1933

Sir,

With reference to your despatch No. 37 of the 8th February enclosing a copy of a letter from the China Printing and Finishing Company, Ltd., Shanghai regarding the continuance of the embargo on their goods in the province of Hunan, I transmit to you herewith a copy of a memorandum³ which I have addressed to the Ministry of Foreign Affairs, requesting that the requisite instructions may again be issued to the authorities concerned to refrain from interfering with the Company's goods.

2. I shall be glad if you will inform the China Printing and Finishing Company of the action that has been taken.

I am, &c.,
MILES W. LAMPSON

ENCLOSURE 3 IN No. 357
Memorandum to the Chinese Ministry of Foreign Affairs

PEIPING, February 22, 1933

His Majesty's Legation present their compliments and, with reference to memorandum from the Ministry of Foreign Affairs of 27th October last⁴ stating that a request had been addressed to the local authorities concerned to prevent unlawful interference with the goods of the British firm, the China Printing and Finishing Company, Limited, have the honour to inform the Ministry of Foreign Affairs that this Company have recently reported that their goods are still being subjected to interference in the Province of Hunan, and particularly in the city of Changsha. His Majesty's Legation have accordingly the honour to request that the requisite instructions may again be issued to the authorities concerned.

³ Printed as enclosure 3 below.

⁴ Cf. No. 42, note 3.

No. 358

Mr. Patteson (Geneva) to Sir J. Simon (Received February 23, 2.5 p.m.)
No. 119 L.N. Telegraphic [F 1210/923/61]

Immediate

GENEVA, February 23, 1933, 1.55 p.m.

Following from Mr. Eden.

In reply to your enquiry as to question of embargo upon arms to Japan¹ there has been as yet no demand for such action here though no doubt it will arise probably as part of more far reaching proposals at meeting of Assembly tomorrow. There is of course as yet no such obligation under

¹ Cf. No. 342, paragraph 6 (2).

terms of Covenant nor can there be unless Article 16 comes into force. This however is not an argument that can be used to one² since it would be an invitation to China to declare herself in a state of war, and invoke Article 16.

I feel I ought however to draw your attention to report adopted by Council on November 16th, 1927,³ approving 'as a valuable guide' suggestions made by a special committee as to action that Council might take under Article 11 when there is an imminent threat of war. Having approved those suggestions we may have to be careful about saying we can take no action at all until article 16 comes into play.

I confess I am impressed with immense difficulties in practice of imposing any such embargo (cf. our experiences in connexion with China arms embargo). To be effective it must ensure co-operation of non-League members such as Soviet and United States.

It could not be imposed upon both parties in the light of report to be adopted by Assembly tomorrow. It could only be imposed upon Japan alone and it might in practice be impossible to prevent latter seizing arms destined for China. Danger of consequent more serious differences with Japan is clear. In all the circumstances I should be reluctant to take the lead but would express readiness to agree to join with all other Powers interested in examination of problem. There would not I think be justification for taking any action before adoption of report by Assembly tomorrow.⁴

² It was suggested on the filed copy that this phrase should read: 'used openly since'.

³ See Cmd. 2889 of 1927; cf. Volume VIII, No. 664 (1).

⁴ Minutes on the file by Mr. Orde and Sir V. Wellesley agreed in general as to the difficulties referred to in the last two paragraphs of Mr. Eden's telegram. Sir R. Vansittart wrote: 'I have since spoken to Mr. Eden on the telephone and arranged that if the matter is raised today, he shall propose a sub-committee. R. V. Feb. 25.'

No. 359

Sir F. Lindley (Tokyo) to Sir J. Simon (Received February 23, 12.20 p.m.)
No. 54 Telegraphic [F 1200/33/10]

TOKYO, February 23, 1933, 6.50 p.m.

Geneva telegram No. 116 to you.¹

The League has now been dealing with this question since September 1931 and direct consequence of its activities has been conversion of local quarrel into a world disturbance which now threatens to develop into a world war.

If the League wishes to survive I suggest most respectfully that all efforts at Geneva should be directed to finding good reason for doing nothing more. His Majesty's Government would then be free to take measures essential to defence of British interests.

Repeated to Peking.

¹ No. 353.

*Sir J. Simon to H.M. Representatives at Paris, Washington,
Rome, Prague, Stockholm, and Brussels
No. 49 Saving¹ Telegraphic [F 1263/923/61]*

FOREIGN OFFICE, *February 23, 1933, 8 p.m.*

1. His Majesty's Government assume that the Assembly of the League of Nations will tomorrow adopt the draft report of the Committee of Nineteen on the Manchurian question. It is certain that Japan will decline to accept the report and in these circumstances Japan will clearly have put herself in the wrong.

2. His Majesty's Government take the view that the control of the supply of arms to the Far East cannot be satisfactorily and effectively dealt with except by an international agreement which actually secures common action by all armament producing and armament selling countries, whether members of the League or not. It is obvious that very serious practical questions may promptly arise from differential treatment. On the other hand the question of concerting suitable action is exceedingly urgent.

3. You should take the earliest opportunity of ascertaining from the government to which you are accredited whether that government has considered this problem and what action that government is prepared to take (a) unilaterally and (b) as part of a general scheme. If they hesitate to declare their view immediately, you should enquire how soon they may be able to let us know, pointing out the extreme urgency of the situation. Anything you can ascertain as to the instructions they are giving to their representatives at Geneva on the subject would be appreciated.

4. Strictly confidential, for your information only.

You should bear constantly in mind that His Majesty's Government do not and cannot contemplate action on their part under article 16 of the Covenant. Each country must judge the circumstances and possibilities for itself and we are quite determined not to involve ourselves in exceptional risks at the bidding of others who would be mere spectators. It is extremely important that our attitude in this regard, which we are sure is shared by others with large responsibilities in the Far East, should not be used hereafter as an excuse for throwing the blame on ourselves and, while reporting to me anything which you can learn of the attitude of others on this point, you should scrupulously abstain from making any declaration on our part in the sense of this paragraph.

Repeated to Tokyo No. 61 and Peking No. 85.²

¹ No. 49 Saving to Paris; No. 98 to Washington; No. 40 to Rome; No. 3 to Prague; No. 6 to Stockholm; No. 8 to Brussels.

² Repeated also to Geneva as telegram No. 127 on February 23.

No. 361

Sir M. Lampson (Peking) to Admiral Sir H. Kelly
No. 81¹ Telegraphic [Confidential/Telegrams/54/288]

PEKING, February 23, 1933

Following addressed to Commander-in-chief, No. 81:—

‘Your telegram No. 141.²

‘Whilst importance of naval mission can easily be exaggerated and whilst we all know that through no fault and despite every endeavour of Baillie Grohman³ it has so far been rather a sham, I still feel that on the principle of casting our bread upon the waters we should find it an *ultimate* investment if we went on receiving Chinese naval officers for training at home. Reason we received no order for shipbuilding was that we could not quote anything approaching Japan. It does not follow that in the years to come Chinese naval officers returning from Great Britain and accustomed to our ships and methods will not turn to us, as has in fact been the case in the past.

‘2. So long, therefore, as current expenses are met, I should favour continuing to receive officers for training at home whilst allowing this end of the mission to lapse till better times.

‘3. Trouble, of course, is that ever since experience at Shanghai last spring Minister of Finance has determined to concentrate on effective air force at Shanghai,⁴ letting the navy rip. But this may not always remain so.’⁵
(Repeated to mission.)

¹ Repeated by wireless as No. 135 to the Foreign Office, received at 8 p.m. on February 23.

² Not traced in Foreign Office archives.

³ Captain H. T. Baillie Grohman was head of the British Naval Mission to China.

⁴ Cf. Volume X, Nos. 253, 400, and 515.

⁵ In his Annual Report on China for 1933 (received March 6, 1934) Mr. Ingram wrote: ‘Captain H. T. Baillie Grohman, D.S.O., O.B.E., left China in April for England, on completion of his appointment as head of the British Naval Mission to China. It is believed that the appointment will be allowed tacitly to drop, as the Chinese Government have not yet asked for a successor to be sent out, and Admiral Chen [Minister of the Navy] has explained that he is unable to do so at the moment owing to shortage of funds.’

No. 362

Memorandum on Jehol communicated by the Japanese Chargé d’Affaires¹
[F 1227/18/10]

The Province of Jehol had been, roughly speaking, under the control of the family of Chang since 1921, when the late Marshal Chang Tso-lin had obtained power to control the Special District of Jehol, under the title of Commander of the Mongolian Border Districts. The defeat of General Chang in the first war between the Mukden and Chihli parties in 1922 led to the loss of this control over the Province of Jehol, which he eventually recovered by his success in the second encounter with the Chihli party in

¹ This undated and unsigned memorandum was left with Sir V. Wellesley on February 23.

1924, and Kan Chao-yu was appointed the military Governor of the Province of Jehol. At one time the army commanded by Feng Yu-hsiang tried in vain to invade Jehol. In 1926 Tang Yu-lin was appointed the military Governor of Jehol, and, after the amalgamation of the Three Eastern Provinces with China in 1928, the Special District was changed into a province with General Tang still as Governor of the Province. With the formation of the north-eastern Committee of Political Affairs in January 1929, the Province of Jehol was brought under its control, together with the three Provinces of Mukden, Kirin and Heilungkiang.

2. Soon after the outbreak of the incident of September 18th, 1931, on September 29th, the Province of Jehol was said to have declared its independence. When the north-eastern Administration Committee was established, General Tang was one of its members. In the proclamation of the Establishment of Manchoukuo by the Government of Manchuria on March 1st [1932] it was stated that 'the leaders of Fengtien, Kirin, Heilungkiang and Jehol Provinces, the Harbin Special District, and various banners of Mongolia have arrived at a unanimous conclusion' to establish a new State. The Government of Manchoukuo made this point clear in the communication addressed to foreign countries on March 12th.² (On March 9th, General Tang was appointed the Vice-President of the Privy Council.)

In 1932 the League Commission of Enquiry asked what was the boundary of Manchoukuo, and its Government replied through the Japanese assessor that the Province of Jehol belonged to the territory of the new State, and that the Great Wall was the boundary between the Province and the Province of Hopei in China.

3. When a detachment of the Japanese army went to Chaoyang-ssu, on the border of the Provinces of Jehol and Mukden, to rescue Mr. Ishimoto, a Japanese who was kidnapped by bandits near there towards the middle of June, they encountered a bandit force and occupied Chaoyang-ssu.³ Thereupon the Nanking Government lodged a protest with the Japanese Government, which in its reply pointed out the improper nature of the protest, as measures had been taken for the maintenance of order within the territory of Manchoukuo.

Also when a detachment of the Japanese army occupied Nan Ling as a temporary measure after an attack on August 19th by the Chinese upon staff officers of the Japanese army who had been on their way to Nan Ling from Chaoyang-ssu for the purpose of seeking information regarding Mr. Ishimoto, the Nanking Government again protested, and we replied to the same effect as before.

4. Hitherto Marshal Chang Hsueh-liang had not sent his regular army to the province, contenting himself merely with the manipulation of anti-Japanese volunteers through a man such as Huang Hsien-sheng, who had had control over bandit forces near Chinchow before the entry of the Japanese army into the district in January, 1931.⁴

² See Volume X, No. 66, note 3.

³ Cf. *ibid.*, No. 538.

⁴ Cf. Volume IX, No. 145, enclosure, paragraph 9.

Towards the end of December 1932, three brigades under Marshal Chang's command were transferred to several parts of Jehol,⁵ and the concentration of his army near the border is still continuing. (This transfer of his army has not been denied by Marshal Chang.) Besides these forces, bandit forces under the command of Li Hai-ching, Feng Chan-hai and others, who were lately driven out of their strongholds in North Manchuria by the campaign of the joint forces of the Japanese and Manchoukuo army, are concentrating along the northern border of Jehol comprising Kailu, thus endangering the peace and order of the province.

When we carried on a campaign against them in January 1933, the Nanking Government again protested, but the Japanese Government took the same stand as before, and replied that the measure was perfectly legitimate and came under the head of the domestic affairs of Manchoukuo.⁶

⁵ Cf. No. 174, enclosure.

⁶ Cf. No. 303.

No. 363

Mr. Patteson (Geneva) to Sir J. Simon (Received February 24, 9.30 a.m.)
No. 122 L.N. Telegraphic [F 1219/33/10]

GENEVA, February 24, 1933, 12.10 a.m.

Following from Mr. Eden.

Committee of Nineteen met in private today¹ and decided that President would open proceedings at Assembly tomorrow by explaining that Committee of Nineteen, after carefully studying observations of Japanese Delegation already circulated to the Assembly, had nothing to add to their draft report.

Committee decided that except for the speech the President will make after the adoption of the report no member would take part in the debate.

If as is anticipated Chinese Delegate raises the question of what action it is proposed to take in regard to Jehol, President will reply that this will be considered at adjourned meeting of Assembly on Friday² afternoon or Saturday morning after adoption of report.

Repeat to Tokyo and Peking.

¹ This telegram was drafted on February 23.

² February 24.

No. 364

Mr. Patteson (Geneva) to Sir J. Simon (Received February 24, 9.30 a.m.)
No. 123 L.N. Telegraphic [F 1225/33/10]

GENEVA, February 24, 1933, 12.10 a.m.

My telegram No. 122.¹

After considerable discussion it was agreed that special session of Assembly should continue and that a new advisory committee should be appointed to

¹ No. 363.

keep in touch with the situation. This new committee will be appointed at adjourned meeting of Assembly referred to in preceding paragraph² and will consist of Committee of Nineteen with the addition of representatives of Canada and Netherlands. United States and Russia will also be invited to participate. Decision to propose appointment of this committee is being kept secret in order that Japanese delegation may not be given the opportunity of raising juridical objections. Its appointment will meet Chinese point re Jehol.

² Amended on the filed copy to read 'telegram'.

No. 365

Mr. Patteson (Geneva) to Sir J. Simon (Received February 24, 4.20 p.m.)
No. 127 L.N. Telegraphic [F 1260/33/10]

GENEVA, February 24, 1933, 4.18 p.m.

Following from Mr. Eden.

Special Assembly met this morning¹ and after speeches from representatives of parties and of Venezuela, Canada and Lithuania, report was adopted by 42 votes to 1. Japan alone voted against and Siam abstained. Chinese representative in his speech stated that his Government accepted without reserve the recommendations of the report. After vote had been taken Japanese representative deplored the impossibility of co-operating further with the League as regards the dispute with China but said that the Japanese Government would continue to co-operate with the League for the preservation of world peace so far as this might still be possible in view of adoption of report.

The Assembly will meet again this afternoon.²

¹ For the record of the proceedings of the 17th Plenary Meeting of the Assembly held at 10.30 a.m. on February 24, see *L.N.O. J.*, *S.S. No. 112*, pp. 14-23.

² This telegram was repeated by the Foreign Office to Tokyo as No. 64 and to Peking as No. 88 on February 24.

No. 366

Lord Tyrrell¹ (Paris) to Sir J. Simon (Received February 24)²
No. 7 Telegraphic: by telephone [F 1264/923/61]

PARIS, February 24, 1933, 4.20 p.m.

Your telegram No. 49 Saving.³

I made enquiry at Ministry for Foreign Affairs this morning and impressed upon them the urgency of the question, but in absence at Geneva of M. Paul-

¹ H.M. Ambassador at Paris.

² The text of the telephone message printed here is that of the confirmatory copy received by bag and is the only text preserved in the Foreign Office archives.

³ No. 360.

Boncour⁴ they were unable to give me any reply. The matter, however, is being referred urgently to him at Geneva and I am promised a reply as soon as possible.⁵

2. As far as I could ascertain the matter has not yet been gone into here at all. You will however recall French note of January 24th (my despatch No. 117 of January 24th: Export of arms to Bolivia and Paraguay)⁶ which may perhaps be taken as probable attitude in present case.

⁴ M. Paul-Boncour, Minister for Foreign Affairs, was also Secretary-General of the French delegation to the Disarmament Conference.

⁵ Mr. Eden discussed this question with M. Paul-Boncour on the morning of February 24 and reported to the Foreign Office, in telegram No. 130 L.N. (received February 25, 9 a.m., see Volume IV, No. 283), the willingness of the French Government 'to take any step that we judged fit and proper and which upheld the Covenant'. Meanwhile, the following Foreign Office telegram No. 128 had been despatched to Geneva at 12.55 p.m. on February 24: '*Immediate*. Following for Mr. Eden. My tel. 49 Saving to Paris. Please speak to M. Boncour accordingly as soon as possible.'

⁶ Not printed. In a minute of February 27 Mr. Bowker referred to this French note and wrote: 'The burden of it is that the embargo should be imposed by all manufacturing States and that the matter should be referred to the League under Article XI of the Covenant.'

No. 367

Sir R. Lindsay (Washington) to Sir J. Simon (Received February 25, 9.30 a.m.)

No. 135 Telegraphic [F 1268/923/61]

WASHINGTON, *February 24, 1933, 5 p.m.*

Your telegram No. 98.¹

1. I spoke to Secretary of State today as instructed.

2. He said position of United States Government in regard to control of supply of arms to the Far East is decided by the fact that they have no power to exercise control.² Legislation was requested by the President and urged by himself and very nearly passed but opposition developed and has lately increased not so much from pressure of armament interests as from fear that control might involve instead³ the dangerous commitment of United States Government in the Far East. He is assured by chairmen of Senate and House Committees both of whom are in favour of legislation that its enactment this session is impossible owing to lack of time. No action therefore is possible until special session of Congress, at least, which is due in the middle of April.

3. Secretary of State is somewhat reconciled to this state of affairs by feeling that control would operate in favour of Japan who according to his information is well stocked up with stores and munitions of war. On the other hand Japanese credit is very low. She has been enquiring for financial

¹ See No. 360.

² Cf. No. 342, paragraph 6(2).

³ This word was subsequently deleted from another copy of this telegram in accordance with a letter of March 25 from Washington. For Mr. Stimson's record of this conversation with Sir R. Lindsay, see *F.R.U.S. 1933*, vol. iii, pp. 204-5.

accommodation and has obtained none. He regards this as a satisfactory element in the situation and while he and the President are strongly opposed to any economic blockade hopes it may continue.

4. He regards decision of the League taken today as something of tremendous moral significance and indeed as a shattering blow likely to have especial effect on the attitude of all the leading Japanese statesmen.

5. Parenthetically he said Matsudaira had been enquiring of Gibson⁴ whether it would be advisable for Japan to withdraw from the Disarmament Conference too, lest she might receive there some marked rebuff from the United States Government. Gibson had been instructed subject to the concurrence of his French and British colleagues to deprecate this.

6. Secretary of State was inclined to think as a matter of intuition rather than of reasoning that it would be as well for a time at least to let the moral effect of the League's decision have time to work, and that possibly that effect might be weakened by any attempt to improve things further by taking practical measures, the result of which it was difficult to foresee clearly.

7. He said as soon as the League's decision was received he would issue a statement expressing the concurrence of the United States Government in temperate language but in quite unmistakable terms.

⁴ Mr. Hugh S. Gibson, U.S. Ambassador at Brussels, was Acting Chairman of the U.S. delegation to the Disarmament Conference at Geneva.

No. 368

Sir M. Lampson (Peking) to Sir J. Simon
(Received February 24, 5 p.m.)

No. 142 Telegraphic: by wireless [F 1261/18/10]

PEKING, February 24, 1933

Following received from Mission No. 71, February 23rd.

Begins:—

Confidential.

My telegram No. 69.¹

Japanese Consul has received confidential information from Tokyo that Japanese troops do not intend to proceed inside the Wall unless they are absolutely compelled to do so as a result of Chinese action.

I understand from Japanese Consul that note similar to that being communicated to the Central Government² may be addressed to Chang Hsueh-liang and Tang Yu-Lin.

Ends.

¹ This telegram (not printed: repeated to the Foreign Office in Peking telegram No. 140 of February 24) reported that the Japanese Consul was handing a 'note regarding Jehol' to the Minister for Foreign Affairs at 5 p.m. on February 23.

² The text of this note, which justified Japanese action in Jehol primarily by reference to the presence there of Chang Hsueh-liang's troops, is summarized in No. 448 below, paragraph 9; cf. *F.R.U.S.* 1933, vol. iii, pp. 201-2.

No. 369

Mr. Bland¹ (Brussels) to Sir J. Simon (Received February 24, 8.40 p.m.)
No. 1 Telegraphic [F 1265/923/61]

Important

BRUSSELS, February 24, 1933, 7.15 p.m.

Your telegram No. 8.²

In the absence of Minister for Foreign Affairs at Geneva I saw Secretary General this afternoon who could of course only give his personal impressions though he told me that he felt sure that they would not differ materially from views of Belgian Government. Monsieur Hymans was probably returning on Monday³ and would no doubt be able to give me formal answer on Tuesday. No instructions have been sent to him at Geneva on the subject.

Secretary General said that unilateral control (he used word 'autonome') was out of the question. No government could withstand protests of their own armament firms who were refused permission to send arms to the Far East but saw foreign rivals allowed to do so. As regards general scheme he felt sure that Belgium would be ready to fall in with any plan adopted by the Great Powers. She was, he said, before all things a firm adherent of the League of Nations.

In view of urgency might I suggest direct consultation with Monsieur Hymans at Geneva?⁴ I doubt whether he would consider it necessary to consult his colleagues in Brussels and if not he could probably give a definite answer at once.

¹ Counsellor in H.M. Embassy at Brussels.

² See No. 360.

³ February 27.

⁴ Foreign Office telegram No. 130 to Geneva, despatched at 11.25 a.m. on February 25, referred to the above telegram and to Foreign Office telegram No. 128 (see No. 366, note 5) and said: 'Please speak also to M. Hymans.'

No. 370

Mr. Patteson (Geneva) to Sir J. Simon
(Received February 24 [? 25], 9.30 a.m.)
No. 131 L.N. Telegraphic [F 1259/33/10]

GENEVA, February 24, 1933, 11.40 p.m.

Following from Mr. Eden.

My telegram No. 127.¹

Special Assembly met this afternoon² and after speech from the Chinese representative referring to the situation in Jehol, adopted without further discussion resolution constituting Committee referred to in second paragraph of my telegram No. 123.³

¹ No. 365.

² For the record of the proceedings of the 18th Plenary Meeting of the Assembly held at 5 p.m. on February 24 see *L/N.O.J.*, *S.S. No. 112*, pp. 24-29.

³ No. 364.

*Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 23)**No. 122 [F 1936/33/10]*

TOKYO, February 24, 1933

Sir,

In my despatch No. 448¹ of the 30th August I reviewed the position in the Far East, as it appeared to this Embassy shortly before the Lytton Report was made known; and I endeavoured to survey the dangers to which British interests, the first of which is peace and order, were likely to be exposed if the attempt to solve the complicated Manchurian quarrel on juridical lines were continued. In my telegram No. 416² of December 18th last, expanded in paragraph 6 of my despatch No. 676³ of December 22nd, I had the honour to suggest that the time had come when it was best for all concerned to face the fact, which had been patent from the first, that Japan would not accept any serious interference with her Manchurian policy from outside; and that the least unsatisfactory method of dealing with this fact was the passage of a Resolution endorsing the first eight chapters of the Lytton Report and inviting the two disputants to negotiate. I was, of course, aware of the difficulties in the way of adopting this course; and I was not surprised to receive your telegram No. 164⁴ of December 21st in which you were good enough to inform me that the methods of conciliation must first be exhausted, that the procedure suggested by me might well result in a revulsion of feeling at Geneva against⁵ China, and that the League could not divest itself of its responsibilities. Since that telegram was despatched a Resolution more hostile to Japan than any since October 1931 has been drafted, Jehol is in course of being invaded, and Japan has decided that she will withdraw from the League of Nations if the Draft Resolution, as all expect, is passed as it stands. In short, the position has reached a stage which makes it my bounden duty to lay before His Majesty's Government, once again and with the greatest respect, the views of this Embassy on the course of events.

2. As soon as the Manchurian trouble broke out in September 1931, it was clear to any observer who knew the temper of Japan and had experience of foreign policy that the only course of wisdom was for China to agree with her adversary quickly. The rights and wrongs of the case were, at the outset, not unequally divided; and Baron Shidehara, whose one wish was to negotiate, had not lost his authority over the direction of foreign affairs. But the juridical point of view, held ever since with a tenacity which can best be described as theological, prevailed; and it was laid down that the presence of Japanese troops on Chinese soil gave Japan such an unfair advantage in negotiating that China could not be advised to accept the Japanese offer. The 'principles of the League', instead of being followed with that circum-

¹ Volume X, No. 639.² No. 138.³ No. 151.⁴ No. 149.⁵ Foreign Office telegram No. 164 here read: 'in favour of China'; cf. No. 149.

spection and consideration for the peculiarities of the case which political prudence, common sense, and above all a regard for British interests demanded, were applied as if they had descended on Geneva direct from Heaven. No compromise with those principles was possible; however grievous the consequences for all concerned. Foreign policy in the Far East cannot be conducted on such lines without disaster.

3. I am aware that these strong expressions of opinion may be thought as unbecoming as they are unusual in an official despatch. My excuse, and I believe my justification, is that during my tenure of the post of Ambassador in Tokyo, with all its unique advantages for judging local events, I have entirely failed to bring home to His Majesty's Government the danger to the Empire of drifting into open antagonism with Japan over Manchuria. I have watched the position deteriorate steadily and always as foreseen by this Embassy—as by every well-informed Mission at Tokyo; and I blame myself grievously for my failure to convince His Majesty's Government of the risks they were running by allowing matters to take their course according to the fixed and immutable principles of the League. I now find myself faced with the imminent danger, if not actual probability, of the supreme failure of not having prevented a disastrous and avoidable conflict with the country to which I am accredited. And I shall regret no expressions, however unseemly, if they serve to ward off this danger and to induce His Majesty's Government to take the direction of British policy in the Far East into their own hands in order that it may be conducted with that moderation and good sense which were for so long the envy and admiration of other countries.⁶

I have, &c.,

F. O. LINDLEY

⁶ Minutes to this despatch included the comment by Sir R. Vansittart on March 27 that there was 'not the faintest "probability . . . of a disastrous and avoidable conflict" with Japan. The avoidance of such a possibility has been clearly in the mind of H.M.G. since the start of the trouble'. Mr. Eden wrote: 'I confess that I do not regard L[indley]'s despatch as convincing. It is news indeed that the League has from the first adhered too strictly to its principles. I should rather fear that the criticism of history might be that, had the League at the outset shown that measure of firmness its report eventually contained, the later stages might have been avoided. After all, Japan's conduct has not been impeccable, & Sir F. Lindley's apparent dislike of the League leads him too far in defence of the country to which he is accredited. There is no evidence whatever of a "disastrous & avoidable conflict" between this country & Japan—nor is there likely to be if only for the reason that Japan has enough on her hands already. The League has its limitations, which a dispute such as this is nicely calculated to lay bear [*sic*]; but the League has not done so badly, if only because it has not created any of those ills Sir F. Lindley would lay to its charge. They have not in fact materialised. A. E. March 28.'

No. 372

Sir J. Simon to Mr. Patteson (Geneva)

No. 133 L.N. Telegraphic [F 1171/33/10]

FOREIGN OFFICE, *February 25, 1933, 7.10 p.m.*

[? For Mr. Eden]

Your telegram No. 116¹ (of February 21st. Sino-Japanese dispute).

I should have thought that Committee of Negotiations could as matters stand only be set up as a result of acceptance of the Assembly's Report by China and Japan. But it could no doubt be set up by an additional resolution, with powers additional to those specified in the draft Report; and if Assembly cannot be finally dismissed (subject, of course, to acceptance of the Report by both parties, with consequent possibility of references to Assembly by the Negotiations Committee), I agree that Negotiations Committee would, in view of these circumstances, be preferable to Committee of Nineteen. I should prefer that Assembly's work should be regarded as ended with adoption of the Report (unless the latter is accepted by the two parties), since it is difficult otherwise to foresee any appropriate term for its activities, and an inglorious and inconclusive end to its labours seems only too likely. I recognise the difficulties, however, and you need not take any strong line as regards either continuance of the Assembly or question which Committee should function, and can adapt yourself to the generally accepted view.

¹ No. 353.

No. 373

Mr. Patteson (Geneva) to Sir J. Simon (Received February 25, 9.10 p.m.)

No. 133 L.N. Telegraphic [F 1287/33/10]

GENEVA, *February 25, 1933, 8.10 p.m.*

Following from Mr. Eden:—

My telegram No. 131.¹

Advisory Committee met this morning with representatives of Canada and the Netherlands in attendance and decided to issue invitations to the United States and Russia to participate in its work.

I asked the members of Committee individually to consider problem of export of arms in regard to events in the Far East and suggested² it might be useful to set up a sub-Committee of the Powers specially concerned to examine the whole problem, unanimous agreement amongst the Powers concerned being an essential condition of any solution. All agreed to examine the problem before next meeting date of which will presumably depend on the replies from United States and Russia.

¹ No. 370.

² Cf. No. 358, note 4.

Memorandum by Sir J. Pratt respecting the Sino-Japanese Dispute¹
[F 1379/33/10]

GENEVA, February 25, 1933

²The proceedings at Geneva under paragraph 3 of article 15 of the Covenant from the date when the Council began its consideration of the Lytton Report on the 21st November, 1932, to the 21st January, 1933, have been described in two previous memoranda dated the 28th December, 1932, and the 22nd January, 1933. The position reached on January 21st was that the Japanese delegation had refused to accept the December 15th draft of the Resolution and Statement of Reasons, even though the former were modified by the omission of the invitation to non-Member States to take part in the conciliation negotiations and the parties were allowed to make reservations to the latter. The Committee of 19 accordingly met on January 23rd to discuss their Report under Paragraph 4 of Article XV. A draft which had already been prepared by the Secretariat was considered and a drafting Committee of nine members appointed. The drafting Committee decided that the Report should consist of four parts, namely, Part I, events in the Far East and their historical background; Part II, action taken at Geneva concluding with a statement showing how the efforts at conciliation had broken down; Part III, conclusions and Part IV, recommendations. It was also decided that in Part I the Assembly should adopt as its own the first 8 chapters of the Lytton Report without attempting to recapitulate or summarise it; that in Part II the reports of the Consular Committee at Shanghai should similarly be adopted, that the historical links should be as brief as possible but that reference should be made to events at Shanghai not related in either the Lytton Report or the Consular Report and to events in Manchuria subsequent to the signature of the Lytton Report.

2. The drafting of the first three Parts of the Report was finished on February 1st and the drafting Committee decided to refer again to the Committee of 19 before attempting to draft the recommendations in Part IV. At this stage the Japanese Delegation made further proposals to the Committee of Nineteen with a view to conciliation. These were considered by the Committee of Nineteen at their meeting of February 4th and were found to

¹ An unsigned memorandum by Sir J. Pratt, dated February 25 and entitled 'China and Japan: summary of position to date' was received in the Foreign Office on March 1 as enclosure in Geneva despatch No. 73 of February 26. After his return from Geneva on March 6, Sir J. Pratt minuted: 'This memo. is a continuation of the memoranda in F 8901/1/10 [of December 28, 1932: not printed] and F 502/33/10 [of January 22, 1933: No. 235 above]. The 3 together contain the whole story of the proceedings at Geneva since the publication of the Lytton Report. I have slightly expanded the memo. and linked it up with these 2 previous memos. . . . J. T. Pratt 12/3.' The memorandum here printed includes these later additions, of which only a Confidential Print text is preserved in the Foreign Office archives. The additions (in paras. 1, 6, and 8) are here printed within asterisks: the date of the memorandum was unchanged.

² See note 1 for the significance of asterisks in this document.

be unsatisfactory as the intention plainly was to exclude the application of Principle No. VII of the Lytton Principles relating to China's sovereignty over Manchuria. The Japanese delegation were again informed that only two changes could be accepted in the texts of December 15th, namely, omission of the invitation to non-member States and acceptance of the right of the Parties to make reservations to the Statement of reasons.

3. Part IV of the Draft Report (Recommendations) was discussed by the Committee of Nineteen at their meeting on February 4th and again on February 6th when the question was referred back to the Drafting Committee. After five arduous meetings the Drafting Committee completed its labours on February 11th and the Committee of Nineteen met again on February 13th and 14th to consider the whole report.

4. In the meantime, however, the Japanese Government made a last attempt to meet the views of the Committee as regards conciliation. On February 9th the Committee of Nineteen met to consider the latest proposals put forward by the Japanese delegation. These were found to be a considerable advance on the attitude previously taken up by the Japanese delegation, but it was still thought that the language used might veil an intention to exclude the full application of Principle No. VII at a later stage when conciliation negotiations had already begun. It was felt that there could not be any ambiguity on such a fundamental point as China's sovereignty over Manchuria; the Secretary-General was accordingly instructed to address a letter to the Japanese delegation with a view to definitely clearing up this point. The Japanese delegation were also informed orally that conciliation could not be pursued unless the impending attack on Jehol were abandoned. The Japanese delegation's reply to the Secretary-General's letter was considered by the Committee of Nineteen at their meeting on February 14th, and a further communication was immediately addressed to them regretting that their proposals did not constitute a satisfactory basis for conciliation. These Japanese proposals and the correspondence arising out of them are printed in full as Annexes Nos. 3, 4, 5 and 6 of the Assembly's report.

5. The draft Report was considered and finally approved by the Committee of Nineteen at their meetings on February 13th and 14th. It was decided that it should be submitted to a meeting of the Special Assembly on February 21st; that the Assembly, after noting the breakdown of conciliation, should adjourn and meet again on February 24th to adopt the Report.

6. The essential parts of the Report are Part III (Conclusions) and Part IV (Recommendations). The points that gave rise to the most serious difficulties were (i) the question of the boycott and (ii) the question of the non-recognition of Manchukuo. In each case satisfactory formulæ were eventually found. As regards the boycott, Conclusion No. 6 recognises the distinction between the boycott before and after September 18th, 1931, and, while not condoning, it abstains from condemning the boycott after that date. *The question of non-recognition was dealt with in section 3 of Part IV of the report in the following terms:—

‘ . . . In adopting the present report, the members of the League intend to abstain, particularly as regards the existing régime in Manchuria, from any act which might prejudice or delay the carrying out of the recommendations of the said report. They will continue not to recognise this régime either *de jure* or *de facto*. They intend to abstain from taking any isolated action with regard to the situation in Manchuria and to continue to concert their action among themselves as well as with the interested States not members of the League.’*

The Report does not definitely state that Japan has broken any particular Article of the Covenant. The suggestion was made that it should do so but was not pressed. The Recommendations of the Report are based on and closely follow the Lytton Report. Beginning with a clear declaration that the sovereignty over Manchuria belongs to China they proceed to recommend (a) the evacuation of the Japanese troops, (b) the establishment of an autonomous régime in Manchuria, (c) the settlement of other matters in dispute between the parties, and finally (d) negotiations between the parties in order to carry out (a), (b) and (c). In these negotiations the Parties are to be assisted by a Committee composed of the delegates of the Governments of Germany, Belgium, the United Kingdom, Canada, Spain, France, Irish Free State, Italy, the Netherlands, Portugal and Czechoslovakia. This Committee is not to be constituted unless and until both parties accept the recommendations and the United States and Russia will then be invited each to nominate a delegate. The Secretary-General is to communicate a copy of the Report to the United States and Russia with an expression of the Assembly's hope that they will associate themselves with the views expressed in the Report and concert their attitude and action with the members of the League.

7. At the meeting of the Assembly on the morning of February 24th the Report was adopted by forty-two votes to one, Japan alone voting against and Siam abstaining. After the vote had been taken the Japanese Delegate, in a speech of great dignity and sincerity which for the first time in 17 months gained the sympathies of a League audience, expressed the disappointment and sorrow of his Government at the adoption of the Report. He announced that Japan could no longer co-operate with the League in the matter of their difficulties with China, but that as regards the preservation of world peace Japan would continue to co-operate to the extent that might be possible after the adoption of the Report. At the conclusion of his speech the Japanese delegates all left the meeting. Dr. Yen had previously announced that his Government accepted without reserve the recommendations of the Report.

8. At a further meeting of the Assembly in the afternoon of February 24th, Dr. Wellington Koo made a speech on the subject of Jehol, in which he referred to the sanctions of Article XVI. The Assembly then adopted without further discussion a resolution appointing an Advisory Committee to follow the situation and aid the Members of the League in concerting their action and attitude among themselves and with the non-Member States. The Committee consists of the members of the Committee of Nineteen with the

addition of representatives of Canada and the Netherlands.³ *This committee, which consists of the members of the Committee of Nineteen with the addition of representatives of Canada and the Netherlands, held a short meeting on the 25th February. The committee decided to issue invitations to the United States and the U.S.S.R. to appoint representatives to participate in its work. The British representative then asked the members of the committee individually to consider the problem of the export of arms in relation to events in the Far East, and suggested that it might be useful to set up a sub-committee of the Powers specially concerned to examine the whole problem, unanimous agreement amongst the Powers concerned being an essential condition of any solution. The members agreed to examine the problem before the next meeting of the committee. No date, however, for this was fixed pending the receipt of replies to the invitations sent to the United States and the U.S.S.R.

J. T. PRATT*

³ This sentence was the penultimate one in the text of the memorandum received on March 1: it was succeeded by the following final sentence: 'After a short meeting on February 25th, the Committee issued an invitation to the Governments of the United States and of Russia to participate in the work.'

CHAPTER III

Sino-Japanese hostilities in Jehol Province: proposed arms embargo: Japan's decision to withdraw from the League of Nations February 26—March 31, 1933

No. 375

Mr. Patteson (Geneva) to Sir J. Simon (Received February 26, noon)
No. 139 L.N. Telegraphic [F 1288/33/10]

GENEVA, February 26, 1933, 12.20 p.m.

Following from Mr. Eden for Secretary of State.

Mr. Matsuoka told me yesterday¹ that he proposed to go to London immediately and that he very much hoped for the pleasure of an interview with yourself.

¹ This telegram was drafted on February 25.

No. 376

Mr. Patteson (Geneva) to Sir J. Simon (Received February 26, 2.15 p.m.)
No. 138 L.N. Telegraphic [F 1290/923/61]

GENEVA, February 26, 1933, 1.15 p.m.

Following from Mr. Eden.

Netherlands Minister for Foreign Affairs spoke to me yesterday¹ of the possibility of embargo on arms to the Far East. He said while his government would be willing to join in any restrictions which might be agreed for export of arms and war material, he wished to remind us of the danger of including oil among the latter, since his government would not, he feared, be able to agree to such inclusion.

¹ This telegram was drafted on February 25.

No. 377

Sir M. Lampson (Peking) to Sir J. Simon (Received February 26, 4 p.m.)
No. 146 Telegraphic: by wireless [F 1285/18/10]

Immediate

PEKING, February 26, 1933

Reuter's agent at Shanghai telegraphs urgently asking my confirmation or denial of the following report:

'Rengo (Japanese) News Agency is circulating a report¹ that Secretary of State for Foreign Affairs has informed Japanese Ambassador, London, that Britain has no objection to actions of Japanese and Manchu troops so long as they are confined to Jehol and that should matter be deliberated upon by the League, Britain would try to persuade other countries to adopt the same attitude.'

2. My inclination was at once to issue formal denial: but I cannot well do that without your explicit authority. Unless however denial can promptly be issued I fear much harm may be done. Chinese public (and I fancy others) are undoubtedly suspicious of our attitude and have been ever since December speech though we have managed to deaden it for the time being by action taken at Nanking last month.²

¹ This report was published in *The China Press*, Sunday, February 26.

² Cf. No. 241.

No. 378

Sir M. Lampson (Peking) to Sir J. Simon (Received February 26, 4.30 p.m.)
No. 145 Telegraphic: by wireless [F 1284/18/10]

PEKING, February 26, 1933

Following received from Mukden February 25th begins:—

Addressed to Peking No. 19, repeated to Tokyo, by post to Harbin, Newchwang and Dairen.

My telegram No. 18.¹

Major Fujimoto of Kuantung army headquarters furnished the following information to foreign Consuls here this afternoon regarding Jehol operations:

1. Kailu was occupied with little opposition February 24th by Japanese and Manchurian troops under General Chang Hai-peng and advance is continuing in South Westerly direction. About 12,000 Chinese troops under General Liu Kuei-teng surrendered on February 21st in above district and are now supporting advance of Manchurian troops.

2. Peipiao was occupied also with little opposition on February 21st and traffic on Chinchow-Peipiao line was at once restored. Chinese troops are

¹ Copy received in the Foreign Office on February 24 in Peking telegram No. 137 of February 23, not printed.

retreating towards Lingyuan and fall of Chaoyang is expected on February 25th. Suichung and Shanhaikuan areas are at present quiet.

3. Chinese main defensive line held by approximately 80,000 men runs from Chihfeng to Shanhaikuan through Chien-ping and Wukungfu. General attack on it is expected to take place in about a week's time.

4. Second Chinese defensive line held by approximately 33,000 men runs from Tangsanying to Pingchuan and thence in Southward direction to the Wall. Approximately 50,000 are held in reserve in Jehol. All Chinese troops outside the Wall are considered to be but poorly equipped.

5. About 40,000 Manchurian troops are taking part in the advance but Major Fujimoto would not furnish even approximate number² of Japanese troops so engaged. It is expected that operations in Jehol province will be completed some time before the thaw sets in about the middle of March.

6. Statement on Jehol operations issued by General Muto today makes it clear that operations inside the Wall will only become necessary if Chinese troops attempt to penetrate into Jehol province after the Japanese and Manchurian troops have completed its conquest. Ends.³

² A marginal note by Mr. V. A. Mallet here reads: 'we believe it to be about 2 divisions.'

³ The gist of this information was used by Sir J. Simon in replying to a question in the House of Commons on February 27; see 275 *H.C. Deb.* 5 s., col. 9.

No. 379

Sir M. Lampson (Peking) to Sir J. Simon (Received February 26, 5 p.m.)

No. 144 Telegraphic: by wireless [F 1283/18/10]

PEKING, February 26, 1933

Following received from Mission No. 72, February 24th, begins:

Confidential.

My telegram No. 71.¹

Hsu Mo² informed me today that Chinese Government's reply to Japanese note was sent last night. Gist of it was that Jehol and three Eastern Provinces were part of China and that Chinese were only defending their territory. Japanese therefore must assume full responsibility for anything which might occur in Jehol or North China. Chinese Government protested against the suggestion made regarding Tang Yu-lin which they regarded as an insult to Chinese . . .³ inexcusable. Hsu Mo failed to understand how such a suggestion could have been embodied in a diplomatic note of Japanese Minister for Foreign Affairs at the behest of Japanese military.

Hsu Mo then stated that no communication had been received from Manchukuo regarding Jehol and that should one eventually materialise it would in all probability be returned unanswered. Question of withdrawal of Chinese Minister from Tokyo had, he said, been raised in several quarters but no decision had been taken by Chinese Government.

¹ See No. 368.

² Chinese Political Vice-Minister for Foreign Affairs.

³ The text is here uncertain. For a more detailed summary of the Chinese Government's reply, see No. 448 below, paragraph 10; cf. *F.R.U.S.* 1933, vol. iii, pp. 202-3.

No. 380

Sir J. Simon to Sir M. Lampson (Peking)
No. 92 Telegraphic [F 1285/18/10]

FOREIGN OFFICE, February 26, 1933, 8.40 p.m.¹

Your telegram No. 146² (of 26th February: unfounded report by Rengo). Report is without any foundation whatever and should be formally and authoritatively denied. We stand by League report.

Whom do you mean by 'others' in last sentence of your telegram?³

¹ A note on the draft of this telegram reads: 'Text telephoned by the Secretary of State. 7.45 p.m.'

² No. 377.

³ Sir M. Lampson replied in his telegram No. 148 (received by wireless at 6 p.m. on February 27) that by the word 'others' he 'had in mind a certain atmosphere here not easily defineable' and said that there was at least one prominent foreign journalist who was 'conducting the most poisonous and insidious campaign' against the British attitude.

No. 381

Mr. Patteson (Geneva) to Sir J. Simon (Received February 27, 3.15 p.m.)
No. 143 L.N. Telegraphic [F 1320/18/10]

GENEVA, February 27, 1933, 3.10 p.m.

Following from Mr. Eden.

I saw Mr. Matsudaira this morning and spoke to him in accordance with your telephoned instructions.¹ He at once expressed deep regret that any such report should have been issued by Rengo. He admitted that it had of course no foundation whatever in fact. He undertook to take the matter up at once with representative of Rengo here and also to take necessary steps to correct report in Japan.

His Excellency added that he was only now waiting in Geneva to hear that [? the] Japanese Government's decision as to their attitude towards Disarmament Conference. I obtained the impression that his Government was uncertain whether to continue in Conference and if they decided to do so as to precisely what extent they should be represented. Mr. Matsudaira told me that if he did not receive this decision today or tomorrow he would return to London at the latest tomorrow and would ask to see you himself.

¹ In a minute of February 26 Mr. Broad recorded that he had telephoned to Mr. Eden at Geneva to give him the substance of Nos. 377 and 380, and to explain that the Secretary of State hoped that Mr. Eden would see Mr. Matsudaira that night and give him the following message: 'Sir J. Simon very much regrets to have to complain for the second time of the nature of the news put out by a Japanese news agency with regard to a supposed conversation between the Japanese Ambassador and himself. Sir J. Simon wishes to point out that this present Rengo report is quite untrue, and he has been obliged to telegraph to the Far East to explain this. He hopes that Mr. Matsudaira will himself at once take the necessary steps to correct this report.'

No. 382

Mr. Clark Kerr (Stockholm) to Sir J. Simon (Received February 27, 8.45 p.m.)

No. 9 Telegraphic [F 1328/923/61]

STOCKHOLM, February 27, 1933, 7.40 p.m.

Your telegram No. 6.¹

Acting Minister for Foreign Affairs informed me today that Swedish Government shared His Majesty's Government's view that question should be settled by international agreement and that differential treatment would be likely to give rise to difficulties.

They thought as matter was one which affected all members of the League of Nations negotiations for an agreement should be carried out within the framework of the League; they were therefore happy to hear from Geneva that British delegate had brought the matter up before the consultative committee set up on February 24th. They would gladly see this committee succeed in securing joint action and they were prepared to instruct their delegate accordingly.

Acting Minister for Foreign Affairs assumed embargo would not apply to China but that in fact practical difficulties would prevent arms from reaching that country.

I gathered that pending a decision at Geneva Swedish Government were not considering question of unilateral action.

Acting Minister for Foreign Affairs touched on the possible invocation of article 16 but doubted whether Chinese Government would resort to it. If they did so the League would have to decide whether or not Japan should be denied foreign loans, in the way of sanctions this was he thought about as far as the League could be expected to go.

¹ See No. 360.

No. 383

Sir M. Lampson (Peking) to Sir J. Simon (Received April 11)

No. 244 [F 2367/33/10]

PEKING, February 27, 1933

His Majesty's Minister, Peking, presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and transmits herewith three copies of the undermentioned paper[s].

Name and Date

Subject

Letter from Dr. Lo Wen-kan Nan-
king of 22/2/33. To Dr. Lo Wen-
kan, letter of 25/2/33.

Sino-Japanese dispute and The
League.

ENCLOSURE 1 IN No. 383

Letter from Dr. Lo Wen-kan to Sir M. Lampson

Strictly Personal

WAICHIAOPU, NANKING, February 22, 1933

Dear Sir Miles,

May I invite your attention to the attached copy of a Reuter report¹ from London dated February 21st? As you will note, the *Daily Telegraph* appears to be much concerned with the welfare of the League, upon the untrammelled existence of which, it maintains, depends the success of the Disarmament Conference. At the same time it thinks that for the League to uphold the sanctity of the Covenant is sheer folly and that international justice is synonymous with coercion. It sees a crisis in the threatened secession of Japan from the League, but apparently it chooses to ignore the fact that, in the present case, the League is fighting for its very existence and that in the event of its failure to uphold the sanctity of the Covenant, its entire structure will topple to the ground. This is a greater crisis that concerns more than the 'four architects of the League' and it is idle to pretend that a devitalized League will be equal to the task of international disarmament.

The *Morning Post*, on the other hand, seems to think that China is labouring under the illusion that if we 'make war with Japan in Jehol the League will take (our) side in fighting'. Nothing can be further from the truth than to describe Chinese resistance as 'make war with Japan'. Indeed, it is typical of the distorted conception with which certain quarters are sparing no efforts to persuade the world. Unless one deliberately ignores the fact that Manchuria is a part of China—a fact, I may add, about which the League has never expressed any doubt—one cannot look upon the measures adopted by the Chinese Government as anything but legitimate self-defence, a right which has never been denied to any nation.

I shall appreciate it if you will use your influence to correct such misapprehensions which appear to be current in your country,

With best regards,

Yours very sincerely,

LO WEN-KAN

ENCLOSURE 2 IN No. 383

Letter from Sir M. Lampson to Dr. Lo Wen-kan

Strictly Personal

PEKING, February 25, 1933

Dear Dr. Lo,

Your 'strictly personal' letter of February 22nd reached me this morning.

I think you know my views pretty well on this general question. Why Reuters from London should pick out such passages as you mention from certain organs of the British press and broadcast them here in China I do not pretend to know. From the point of view of worldly wisdom, if from no

¹ Not printed. It contained passages from the *Daily Telegraph* and *Morning Post* as mentioned below.

other, it strikes me as unwise—seeing that the general public here in China naturally has no knowledge of the particular trend of politics of the individual organs quoted.

So much said—and as between you and me, I can only say that you doubtless realise as well as I that *no* paper at home can be taken as in any sense official. For authoritative pronouncements you must look to official communiqués, démentis, etc. And of course one of the best forms of official pronouncement is to be found in the answers to questions in Parliament.

In any case you may rest assured as a general principle that the British Government and the British people have pretty hard-headed ideas of right and wrong; and I do not think you should be unduly perturbed at the utterances (either one way or the other) of particular organs of the British press.

Yours sincerely,
MILES W. LAMPSON

No. 384

Mr. Patteson (Geneva) to Sir J. Simon (Received February 28, 9.30 a.m.)
No. 148 L.N. Telegraphic [F 1327/923/61]

GENEVA, February 28, 1933, 1.15 a.m.

Following from Mr. Eden:—

Mr. Matsudaira in the course of further interview this evening¹ asked me whether I had any news of proposed embargo on arms. I said that I knew nothing of your statement in the House.² He added that he hoped that if there was an embargo it would be upon the Far East generally. He was afraid differentiation against Japan would further aggravate his people and make it very difficult to restrain them. I gave His Excellency no assurance that such differentiation would not take place.

¹ This telegram was drafted on February 27.

² During a debate on February 27 in the House of Commons on the Sino-Japanese situation Mr. Lansbury (Leader of the Opposition) said: 'We want our Government to say at once, that no arms and no ammunition shall be exported from this country.' Sir J. Simon, in course of his reply, said: 'if you are going to do this thing effectively it can only be done by international agreement' and added that the Government was in communication with 'some half-dozen of the principal arms-producing countries in the world'. He said that, subject to respect for existing contracts and 'pending the opportunity of international consultation and decision', the Government, as from February 27, 'will not authorise the issue of licences for export to either China or Japan of any article mentioned in the Arms Export Prohibition Order, 1931'. See 275 *H.C. Deb.* 5 s., cols. 46, 56–59.

No. 385

Sir J. Simon to Sir R. Lindsay (Washington)

No. 101 Telegraphic [F 735/18/10]

FOREIGN OFFICE, *February 28, 1933, 3 p.m.*

Your telegram No. 84¹ (of February 1st: Proposed representations to Japanese Government regarding maintenance of Boxer Protocol).

Other Governments concerned have now been informed that in view of lack of unanimity and of changed situation His Majesty's Government are not disposed as at present advised to pursue proposed policy of representations to Japanese Government.²

Please inform United States Government.

¹ See No. 272, note 2.

² See No. 349.

No. 386

Sir J. Simon to Sir F. Lindley (Tokyo) and Sir M. Lampson (Peking)

No. 67¹ Telegraphic [F 1091/33/10]

FOREIGN OFFICE, *February 28, 1933, 3 p.m.*

Have you any indications as to likelihood or otherwise of a Japanese blockade of China in the event of a regular state of war being declared between the two countries?²

¹ No. 67 to Tokyo and No. 94 to Peking.

² This telegram was sent following an enquiry from the Admiralty on February 20 as to the views of the Foreign Office concerning the measures needed for the protection of British lives and property in the event of a regular Sino-Japanese war and a blockade of the Chinese coast by Japan. Minutes by Mr. C. W. Orde, Sir V. Wellesley, Sir R. Vansittart, Mr. A. L. Scott, and Mr. V. A. L. Mallet (February 18-21) all considered a blockade to be unlikely, but Sir J. Simon in a minute of February 25 concurred in the sending of the telegram, although he doubted whether the putting of so hypothetical a question would produce any useful answer. A later, but undated, note by Mr. Orde said that preliminary oral discussions with the Admiralty did not take place 'as the situation cleared rapidly'.

No. 387

Sir J. Simon to Mr. Patteson (Geneva)

No. 136 L.N. Telegraphic [F 1390/33/10]

FOREIGN OFFICE, *February 28, 1933, 6.55 p.m.*

Following for Mr. Eden from Secretary of State.

The Cabinet yesterday reached the decision that pending the opportunity of international consultation and subject to existing contracts already entered into no licences as from yesterday would be issued for export of arms and

ammunition to either China or Japan. The arguments for this preliminary decision are set out in my speech¹ which is reported verbatim in the 'Times' of today. The conclusion was very well received in all quarters and is undoubtedly the best of possible choices. There is all the difference between an international agreement to shut off supplies to one party and a decision by a single Government to do so. If, therefore, we took any action, it had to be in respect of both. Moreover supplies to China alone would only tempt the Japanese navy to capture them. There is no reality in the argument that this penalises China or helps Japan. Having taken this bold lead, we are entitled to enquire now what other nations are prepared to do and in particular to ascertain whether the United States are prepared to do anything.

2. The Cabinet is not willing to authorise the announcement in advance of our attitude in an international discussion on this subject, feeling that we have done enough to show our interest and are not called upon to incur the odium of being the first to speak. You could take the line that we have shown ourselves throughout a loyal supporter of the Lytton Report and the League conclusion and have not failed to behave, in agreement with others, as a League member should. We await therefore information as to what other members of the League feel disposed to indicate is their policy or intention. I said in the House that I would not define our attitude further at the moment but was awaiting reports as to the reaction at Geneva.

Repeated to Peking No. 97, Tokyo No. 69.

¹ In the House of Commons on February 27; for the full debate see 275 *H.C. Deb.* 5 s., cols. 34-156. Cf. Nos. 384 and 390 below.

No. 388

*Sir M. Lampson (Peking) to Sir J. Simon (Received February 28, 7 p.m.)
No. 157 Telegraphic: by wireless [F 1376/18/10]*

Confidential

PEKING, February 28, 1933

Donald, who has just returned from a visit to Jehol front near Chaoyang, tells me that the Chinese and their 'advisers' (though he did not say so he evidently meant German military advisers) are satisfied with the way things are going. He himself saw troops in their prepared positions and they all seemed in good heart. So confident are the Chinese of holding up the Japanese when the latter come to grips with real Chinese troops in their mountain positions (which they have not yet done) that a Japanese coup at Tongku involving the cutting of Chinese communications at Tientsin and Peking is expected; and it was to warn me of this possibility that Donald came to see me.

2. I have of course no means of checking the accuracy of the above estimate of the position but source is usually good.

3. Donald mentioned that the Chinese regarded the application of arms embargo against themselves as illogical after the League resolution. Though

I most carefully avoided expression of any view whatever I am inclined to agree with him notwithstanding.

Repeated to Mission, Commander-in-Chief, General Officer Commanding, Tientsin for Brigadier.¹

¹ Brigadier F. H. Burnell-Nugent was Officer Commanding British troops in the Tientsin area.

No. 389

Mr. Gurney¹ (Prague) to Sir J. Simon (Received February 28, 8.55 p.m.)
No. 1 Telegraphic [F 1378/923/61]

PRAGUE, February 28, 1933, 7.20 p.m.

Your telegram No. 3.²

Political director of Ministry of Foreign Affairs informs me orally on behalf of Monsieur Benes that Czechoslovak government are in principle in favour of common action for control of supply of arms to the Far East but would like to have beforehand details of action proposed by the Great Powers and of conditions under which action would be taken. They particularly wish to know whether embargo would cover China as well as Japan and whether the United States would participate in joint action.

Repeated Saving to Paris, Rome, Stockholm and Brussels.

¹ Mr. K. T. Gurney was First Secretary in H.M. Embassy at Prague.

² See No. 360.

No. 390

Sir J. Simon to Sir M. Lampson (Peking)
No. 98 Telegraphic [F 1390/33/10]

FOREIGN OFFICE, February 28, 1933, 8 p.m.

My telegram to Geneva No. 136¹ (of 28th February. Embargo on export of arms to China and Japan).

In my speech in Parliament yesterday² on the situation in the Far East, I was careful to maintain a balance of criticism of both sides. It may be useful to you to have following extracts with which to answer possible charges that statement was unfairly critical of China.

1. It is the provision of article 15 of the Covenant that you should endeavour to conciliate. Let us do it by every manner of means. But, should conciliation unhappily fail, then the view that must be taken of this matter is the view that is unanimously taken by the League's own Commission, the Commission presided over by Lord Lytton.

2. The right hon. Gentleman is quite entitled to say, and as a matter of fact I agree with him, that it is to the last degree regrettable that, as month

¹ No. 387.

² Cf. *ibid.*, note 1.

has followed month, the situation has become more and more aggravated, and that this advance of Japanese troops is not in accordance with the Covenant of the League.

3. Let me at once agree with the right hon. Gentleman on what is the main point, that there is no doubt at all that the methods that have been followed by Japan in this controversy and the actions that she has taken are not in accordance with the provisions of the Covenant of the League. To use a common expression, Japan has taken the law into her own hands, and it is beyond any possibility of doubt or dispute that the Covenant of the League lays down that you should not take the law into your own hands, but shall use the machinery which the League provides. I hope I have stated that with as much bluntness and plainness as to satisfy everyone.

4. I take the view that the fact that 42 nations have pronounced a unanimous judgment, in which they have adopted the report of a perfectly fair commission is a fact and an event in the history of the world. I altogether repudiate the idea that, when the League of Nations has adopted that unanimous view, it has not itself done a great thing. I am very glad that the government of this country has from first to last taken its full share in getting that done.

5. I should regard it as wholly unfair to China, and not being a faithful member of the League if we did not say that, after all, the Covenant of the League does not authorise people to take the law into their own hands, and that Japan has not acted in the way that the Covenant of the League suggested.

No. 391

Sir R. Lindsay (Washington) to Sir J. Simon (Received March 1, 9.30 a.m.)

No. 144 Telegraphic [F 1363/923/61]

WASHINGTON, February 28, 1933, 11.36 p.m.

While your explanations in House of Commons are fairly fully reproduced in the papers, the announcement of British embargo on arms to China and Japan has aroused much speculation, mainly of an uncomplimentary nature. Both State Department and Congress are represented as opposed to an embargo in the Far East, the former largely on grounds that it would be ineffective against Japan which has already placed large orders. Recent order for 40 tanks from Great Britain is mentioned which will not be affected under terms of British embargo. Mr. Garner¹ has announced that he will not allow pending embargo resolution to be taken as new President should be given the opportunity to pass . . .² on it. Senator Borah is widely quoted in a statement declaring that to impose an embargo on both parties would be to take sides with Japan. One paper points out that after Japan has been

¹ Mr. J. N. Garner had been elected Vice-President of the United States in November 1932, to assume office on March 4, 1933.

² The text is here uncertain.

recognized as aggressor and China as injured party, it is pure hypocrisy to cripple the latter's defence. Another suggests that attitude of Great Britain and France is intended as a virtuous gesture while it is actually designed to assist Japan.³

There is little recognition of the fact that Japan could prevent arms reaching China while China would have no power of retaliation.

³ Cf. No. 398 below.

No. 392

Sir M. Lampson (Peking) to Mr. Ingram (Nanking)

No. 249¹ Telegraphic [F 1381/18/10]

PEKING, February 28, 1933

Your telegram No. 77.²

As soon as I heard of this report from Shanghai on Sunday³ evening I at once telegraphed it home⁴ and received prompt and emphatic denial which has since been published here by Reuters and doubtless seen by Minister for Foreign Affairs. If not you should call his attention to it—see Foreign Office telegram No. 92.⁵ In explaining above to Minister for Foreign Affairs you should repeat my earnest advice that he should not lend so ready an ear to these malicious stories which are circulated from time to time clearly with malicious intention. His Majesty's Government have time and again made their attitude abundantly clear and it is above challenge. If Chinese Government continue to doubt our *bona fides* they will end by irritating my Government as I have already warned His Excellency in most friendly way.

Repeated to Foreign Office.

¹ Repeated by wireless as No. 154 to the Foreign Office (received on March 1 at 9 a.m.).

² This telegram of February 27 to Peking (copy received in the Foreign Office at 9 a.m. on March 1 in Peking telegram No. 155 of February 28) contained a personal message from the Chinese Minister for Foreign Affairs. This repeated the Rengo report of February 25 (see No. 377) and said: 'I would be obliged if you will please enquire whether there is any truth in this report and deny it if there is not.'

³ February 26.

⁴ See No. 377.

⁵ No. 380.

No. 393

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 1, 9.30 a.m.)

No. 59 Telegraphic [F 1374/33/10]

TOKYO, March 1, 1933, 12 noon

Your telegram No. 67.¹

We have no indications of preparations for blockade though general preparations for war as already reported are on a scale far beyond anything required for operations in Jehol or indeed for war with China alone.

¹ No. 386.

We believe that the Japanese are anxious to avoid formal war with China, but should the latter declare it, blockade by Japan appears to us probable.

Japanese combined fleet in the course of normal routine is now concentrated in inland waters.

Repeated to Peking for Commander-in-Chief.

No. 394

Mr. Bland (Brussels) to Sir J. Simon (Received March 1, 3 p.m.)

No. 2 Telegraphic [F 1393/923/61]

BRUSSELS, March 1, 1933, 1.22 p.m.

My telegram No. 111 Saving.¹

Minister for Foreign Affairs in a written reply, refers to appointment of League of Nations consultative committee which is at present studying British proposal regarding despatch of arms, and adds that, although Belgian Government have not completed their study of the question, Minister for Foreign Affairs can assure me that they will gladly join in measures, whether proposed by committee or His Majesty's Government, which may be adopted by arms producing and arms selling countries as a whole.

Text by post.²

¹ Of February 28, received March 1; not preserved in Foreign Office archives. According to the docket, it referred to No. 369 and said that a decision was not expected before March 1.

² Received March 2 as enclosure in Brussels despatch No. 102 of March 1, not printed.

No. 395

Mr. Patteson (Geneva) to Sir J. Simon (Received March 1, 5.46 p.m.)

No. 153 L.N. Telegraphic [F 1401/923/61]

GENEVA, March 1, 1933, 5.56 p.m.

Following from Mr. Eden.

Your telegram No. 136.¹

As explained in my telegram No. 133² consideration of the problem of export of arms in regard to events in the Far East which I initiated at Advisory Committee on Saturday³ was adjourned until next meeting. I understand it is not at present intended to summon further meeting of Committee until a reply is received from United States which may not arrive until the end of this week or early next week.

In the circumstances do you wish me to press for earlier meeting of Committee without presence of the United States delegate?

¹ No. 387.

² No. 373.

³ February 25.

No. 396

Sir J. Simon to Sir F. Lindley (Tokyo)

No. 71 Telegraphic [F 1256/583/23]

FOREIGN OFFICE, *March 1, 1933, 10 p.m.*

Mr. Orde's private letter of January 31st¹ regarding Japanese competition in Dominion and Colonial markets.

Please telegraph your observations on this general question having regard especially to possible political reactions in Japan to any measures we might adopt to protect markets from Japanese goods.²

Independently of general question a definite proposal is now being urgently considered that West African Colonies (Gambia, Gold Coast, Sierra Leone, Nigeria) should immediately give a year's notice under Article 27 to terminate application to them of Anglo-Japanese Commercial Treaty of 1911.³ Exports of United Kingdom cotton goods amounting last year to £3 million are in danger of being lost to Japan and feeling in Lancashire strongly demands preferential treatment in these colonies. Damage to Japanese export trade which withdrawal of colonies from treaty would cause is potential rather than actual.

Do you think political repercussion would be serious, and would Japan be likely to retaliate by denouncing the whole treaty?⁴

¹ Not printed. It enclosed copies of correspondence between Sir J. Simon and Mr. Runciman (President of the Board of Trade) in December 1932 and January 1933 on measures to combat Japanese competition with British manufactured goods in British Dominion and Colonial markets.

² For examples of current interest in this question see 274 *H.C. Deb.* 5 s., cols. 789-90 and 1177-8.

³ This treaty, signed in London on April 3, 1911 (see *B.F.S.P.*, vol. 104, pp. 159 ff.) was acceded to by the British colonies on April 22, 1913 (see *ibid.*, vol. 107, pp. 537-8).

⁴ In his reply (Tokyo telegram No. 65 of March 2) Sir F. Lindley said: 'Denunciation at this moment would be misinterpreted here as due to desire to mark disapprobation of Japanese policy in China and is most undesirable.' A further Foreign Office telegram (No. 72 of March 2) asked 'what sort of period of delay' Sir F. Lindley had in mind; the latter replied (Tokyo telegram No. 66 of March 3): 'I contemplate about ten days by which time Jehol fighting should be over.'

No. 397

Sir J. Simon to Sir M. Lampton (Peking)

No. 99 Telegraphic [F 1409/18/10]

FOREIGN OFFICE, *March 1, 1933, 10 p.m.*

The Chinese Chargé d'Affaires called to see me yesterday on instructions from Chinese Government.

He enquired first as to the Rengo report referred to in your telegram No. 146.¹ I informed him of the denial of its truth already sent to the

¹ No. 377.

Chinese government through you and said that Japanese Ambassador had expressed regret to Mr. Eden at the circulation of a report so untrue. I expressed hope that Chinese government would not encourage manifestly misleading reports by professing to take them seriously.

Dr. Chen then referred to the announcement of British policy on the export of arms to the Far East and hinted that the Chinese government would regard it as unfair to China and as a departure from the position taken up by the League. I pointed out to him that there was no ground whatever for questioning the loyalty of this country to the League view as expressed in the report which had been adopted at Geneva. International action, however, on the subject of the export of arms would involve not only agreement between League members, but agreement and action by the United States. If the Chinese government was making enquiries at Washington, as to the attitude of that government, I should be glad to hear what reply they got. In the meantime, we had taken the only positive action which was possible for a single government in our position to take. It was not designed to prejudice China and it would not, in fact, have that effect, for even a differential ruling would be unlikely to result in British supplies actually reaching China, and we were² not prepared to involve ourselves in the risks of applying differential treatment single-handed. Dr. Wei Cheng Chen attempted to get me to say what would be the form of international action which we should favour, but I refused to discuss this point, saying that we were entitled to learn the views of other countries, including the United States, and that this question would only become material if there was evidence on the part of others that they were prepared to take action of some kind.

² Sir M. Lampson was informed in Foreign Office telegram No. 103 by wireless of 5.30 p.m. on March 2 to Peking that the text here should read: 'have that effect; in any case we were'.

No. 398

*British Library of Information (New York) to the Foreign Office
(Received March 2, 8.30 a.m.)*

No. 26 Telegraphic [F 1400/923/61]

NEW YORK, March 1, 1933¹

Despatches² do not take embargo on armament shipments seriously. Swing,³ February 28th, said Liberal papers interpreted it as help to Japan, says embargo also interpreted as further sidling away from obligations under

¹ The time of despatch is not recorded.

² The reference appears to be to despatches to New York newspapers from London correspondents.

³ Mr. Raymond (Gram) Swing was the London correspondent of the *New York Evening Post*.

Covenant and as indication that Britain will not be party to conflict, says also Sir John Simon 'delivered another mildly pro-Japanese speech and had the House cheering his emphatic declaration that Great Britain would not be involved in dispute'. New York Times special cable says Britain pleased at success in taking moral position without risking single British life or jeopardizing single munition worker's job. Says there are so many loopholes in embargo that until it becomes international British munitions plants expect to continue export. Armament manufacturers do not expect to suffer. Evasion possible by shipment through third country. Hearst⁴ uses Associated press despatch limited to Lansbury's⁵ views.⁶

⁴ Mr. W. R. Hearst was the proprietor of the Hearst group of newspapers.

⁵ Mr. George Lansbury; see No. 384, note 2.

⁶ In a minute on this telegram Mr. Orde wrote: 'The Americans are anxious to belittle our decision, and perhaps also to justify no action on their own part. C. W. O. 2/3.'

No. 399

Sir M. Lampson (Peking) to Sir J. Simon (Received March 1, 7 p.m.)

No. 161 Telegraphic: by wireless [F 1399/18/10]

PEKING, March 1, 1933

Following received from Tientsin telegram No. 40 of February 28th.

Begins:—

Kailan Mining Administration Chingwangtao report that eight Japanese men-of-war have taken up positions between that place and Shanhaikwan.

No. 400

Sir M. Lampson (Peking) to Sir J. Simon (Received March 2, 9.30 a.m.)

No. 163 Telegraphic: by wireless [F 1412/33/10]

PEKING, March 1, 1933

Your telegram No. 98.¹

Greatly obliged for this most useful and timely information which I am bringing at once to the personal knowledge of the Minister for Foreign Affairs. I am also causing the editors of the North China Daily News and Peking Tientsin Times and Reuter agent at Shanghai to be informed and am repeating to Consuls General at Canton and Hankow for their guidance.

¹ No. 390.

No. 401

*Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 2, 10.50 p.m.)*¹
No. 60 Telegraphic [F 1413/33/10]

TOKYO, March 2, 1933, 1.25 p.m.

Your telegram No. 136.²

Press Bureau of Ministry of Foreign Affairs, War Office and Ministry of Marine in dealing with newspaper correspondents lay stress on the fact that while British arms embargo does no practical harm to Japan, it constitutes severe censure on her. His Majesty's Government is held to have taken the lead in expressing this censure owing to desire to please America in view of debt settlement and position is described as like that before the termination of Anglo-Japanese Alliance at the dictation of the United States.³

War Office Press Bureau informed (Seiyukai?) correspondent that condemnation of Japan in House of Commons was welcomed by military authorities since it rallied the nation round them.

There has been practically no press comments on your speech but Asahi is inclined to take umbrage at your outspoken announcement that Japan has broken the Covenant though it ignores the passage explaining . . .⁴ received and statement that His Majesty's Government were determined not to be drawn into the quarrel. The same newspaper usually friendly has news item this morning to the effect that Ministry of Foreign Affairs are disturbed and dissatisfied with the unfriendly change in the attitude of His Majesty's Government.

In general sentiment is that America is the villain and Great Britain the not unwilling tool.

¹ This time is evidently in error for 10.50 a.m.

² The reference was to No. 387.

³ For documents relating to the replacement of the Anglo-Japanese Alliance of 1902 by the Quadruple Treaty signed at Washington on December 13, 1921, by the United States, Japan, the British Empire, and France, see First Series, Volume XIV. For Anglo-American discussions during 1933 on the question of war debts, see Volume V, Chapter IX; cf. No. 429 below.

⁴ The text is here uncertain.

No. 402

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 2, 10.30 a.m.)
No. 61 Telegraphic [F 1414/33/10]

TOKYO, March 2, 1933¹

My immediately preceding telegram.²

I must warn His Majesty's Government that arms embargo on Japan alone would be deeply resented and would probably be followed by reactions which would make position far more difficult for all concerned. It is not possible

¹ The time of despatch is not recorded.

² No. 401.

to foretell exactly what form they would take but a blockade of China is a likely one (see my telegram No. 59).³ Or military party might occupy north China as gesture of defiance.

General Staff Officer told Military Attaché last night that sanctions would be answered by war. Nothing so explicit has ever been said before and an embargo on Japan alone would be regarded as the thin end of sanctions.

No doubt His Majesty's Government have carefully considered all aspects of policy of keeping secret decisions reported in final paragraph of your telegram No. 49 to Paris.⁴ As seen from here that policy has nothing but disadvantages. The air would be cleared and the whole situation made easier were it known by the public that sanctions were out of the question. And the military party would be deprived of their best appeal to patriotic feelings of Japanese. Decision itself is so obviously necessary in British interests that it is difficult here to appreciate the need of secrecy.⁵

Repeated to Peking for Commander-in-Chief.

³ No. 393.

⁴ No. 360.

⁵ In minutes on this telegram Mr. Orde remarked (March 2) that the question of secrecy 'involves the sanctity of the Covenant and our loyalty to its letter', and Sir R. Vansittart wrote: 'Sir F. Lindley hears only one son de cloche. It is rather astonishing that he cannot appreciate the need for treading very warily in this matter. R. V. March 2.' The minutes were initialed by Sir J. Simon on March 7.

No. 403

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 2, 9.30 a.m.)

No. 62 Telegraphic [F 1415/923/61]

TOKYO, March 2, 1933, 1.20 p.m.

My immediately preceding telegram.¹

Canadian Minister is much, and rightly disturbed at newspaper report that an embargo on nickel is being advocated in Canada.

We agree that such a measure would be most dangerous to Canadian as well as Imperial interests. It would be regarded as beginning of sanctions.

¹ No. 402.

No. 404

Sir M. Lampson (Peking) to Sir J. Simon (Received March 2, 5 p.m.)

No. 167 Telegraphic: by wireless [F 1455/33/10]

PEKING, March 2, 1933

Your telegram No. 67 to Tokyo.¹

None. And so far as I can judge declaration of war by China is unlikely.

¹ No. 386.

But I am repeating your telegram to Commander-in-Chief together with this reply in case he has observations on present Japanese naval dispositions.²

Repeated to Commander-in-Chief, Tokyo and Mission.

² Admiral Sir H. Kelly replied in telegram No. 146 of March 2 to Sir M. Lampson (copy received in the Foreign Office on March 3) that there were no indications at present of any possible Japanese blockade of China. He added: 'It would be definitely detrimental to Japanese interests to declare war. Her principal war material in the shape of iron ore is being shipped in largely increasing quantities from the Yangtse ports.'

No. 405

Sir M. Lampson (Peking) to Sir J. Simon (Received March 2, 6.30 p.m.)

No. 172 Telegraphic: by wireless [F 1471/923/61]

PEKING, March 2, 1933

Following received from Mission telegram No. 88 of March 1st begins:—

Minister for Foreign Affairs has asked me to communicate to you the following message.

'The British Foreign Minister's announcement before Parliament of an arms embargo against both China and Japan the Chinese government consider unfair to China who having already accepted Assembly report is acting in self-defence and has only a limited quantity of modern weapons. Japan who is largely self-supplying in the matter of arms and ammunition is bending her energies to conquer Jehol ostensibly on behalf of puppet régime in Manchuria and announced action of British Government will only hasten her seizure of Jehol. Arms embargo procedure is not consistent therefore with statement in Assembly report that members of League intend to abstain, particularly as regards existing régime in Manchuria which they will continue not to recognise, from any act which might prejudice or delay the carrying out of recommendation of the said report.'

In handing me message this afternoon the Minister for Foreign Affairs remarked incidentally our trade in arms with China would suffer probably to the advantage of other countries. I somehow feel Minister for Foreign Affairs personally realises that our action is a generous gesture and example inspired by sincere motives.

No. 406

Sir M. Lampson (Peking) to Sir J. Simon (Received March 3, 9 a.m.)

No. 171 Telegraphic: by wireless [F 1470/18/10]

PEKING, March 2, 1933

Following received from Mission No. 89 of March 1st. Begins:—

Your telegram No. 249.¹

I saw Minister for Foreign Affairs this afternoon and informed him that report had been formally denied by Foreign Office. I at the same time

¹ No. 392.

communicated to him gist of last paragraph of your telegram under reference. He replied that he had seen denial in Reuter telegram and was satisfied. He then explained that he personally of course realised absurdity of such reports from Japanese sources but that Chinese public were not so well placed as he was and did not understand. His idea in drawing your attention to report was meant not as a request to you for Foreign Office denial on the ground that Chinese government believed such a report but rather to help you in scotching such rumours and preventing as far as possible their spread and publication in the press with consequent serious effect on Chinese minds and Anglo-Chinese relations in general.

Minister for Foreign Affairs has now drawn my attention for your personal information to statement in 'Shanghai Evening Post' of February 28th in which united press of London quoted the Secretary of State for Foreign Affairs saying in the House of Commons that action of Japanese army in Manchuria and Jehol does not in the least resemble an invasion by foreign force into another country.²

² In a minute of March 3 Mr. Allen wrote: 'The passage in the S. of S.'s speech [on February 27] to which Dr Lo Wenkan refers was based on p. 126 of the Lytton Report (beginning of Chapter IX) and refers quite obviously to the original events in Manchuria and not to the invasion of Jehol. The quotation is a singularly mischievous example of the effect of extracting a passage from its context for some special purpose.'

No. 407

Lord Tyrrell (Paris) to Sir J. Simon (Received March 3)

No. 32 Saving Telegraphic [F 1454/923/61]

PARIS, March 2, 1933

Your telegram No. 49 Saving¹ of the 23rd February. (Chinese-Japanese relations.)

Decision of His Majesty's Government to impose embargo on export of arms and munitions to China and Japan has been much criticised in press here. 'Temps', in a moderate article lays stress on difficulty of arriving at an international agreement regarding embargo. 'Matin' considers that decision is symptomatic of whole attitude of League to Sino-Japanese dispute in which mistake has followed mistake. 'Débats' thinks that His Majesty's Government have made a useless gesture with unnecessary ostentation, and recalls Secretary of State's opinion that decision to impose embargo will not prevent arms reaching Far East. Embargo was apparently rendered necessary in order to placate pacifist Ministers and so prevent schism in Cabinet while at the same time trying not to offend England's old ally, Japan, too much.

2. Both 'Action Française' and 'Oeuvre' blame English and French socialists for wanting Japan and not China to be deprived of arms and ammunition. 'Paris Soir' on the other hand considers decision to impose

¹ No. 360.

embargo equivocal, opinion in which 'Journal' also concurs, latter stating that if existing contracts are to be carried out, embargo is reduced to mere gesture and in any case if Chinese are in the right they should be allowed means of defending themselves. If Sir John Simon, as appears from his speeches, thinks Japan is not really guilty, it must be presumed that England changed her attitude and so caused the Committee of Nineteen to condemn Japan in hopes of placating the United States of America on the eve of the resumption of debt negotiations.

3. 'Populaire' (Socialist) speaks with two voices. Paul Foret considers that His Majesty's Government, under pressure from Mr. Lansbury, have taken the right course. Rosenfelt on the other hand thinks decision unfair and likely to handicap China rather than Japan, who has large stocks of munitions.

No. 408

Sir R. Lindsay (Washington) to Sir J. Simon (Received March 16)

No. 341 [F 1791/33/10]

WASHINGTON, March 2, 1933

Sir,

I have the honour to refer to my telegram No. 135¹ of February 24th regarding the crisis in the Far East and to transmit to you herewith copies of correspondence between the Secretary-General of the League of Nations and the Secretary of State on the subject of the report adopted by the Assembly of the League of Nations.² It is reported in the press that Mr. Stimson's communication was despatched after consultation with the President-Elect and with Senator Cordell Hull the future Secretary of State. It was also approved by Mr. Hoover.

2. It will be observed that Mr. Stimson's reply is studiously vague. In the Sino-Japanese controversy the purpose of the United States has 'coincided in general' with that of the League of Nations, and the United States Government has 'endeavoured to give support, reserving to itself independence of judgment with regard to method and scope, to the efforts of the League on behalf of peace'. The United States Government is 'in substantial accord' with the findings of fact arrived at by the League and 'in general accord' with its conclusions. The League and the United States are 'on common ground' in their attitude to the principle of non-recognition. Finally 'in so far as is appropriate under the treaties to which it is a party', the United States Government expresses 'its general endorsement' of the principles of settlement recommended by the League.

¹ No. 367.

² Not here printed. Sir E. Drummond's letter of February 25, 1933, and Mr. Stimson's reply of the same date are printed in *F.R.U.S. Japan 1931-1941*, pp. 114-16.

3. I have reported by telegram³ on the unenthusiastic reception given here to the subsequent news of His Majesty's Government's initiative in imposing an embargo on the export of arms from Great Britain both to Japan and to China.

I have, &c.,
R. C. LINDSAY

³ Cf. No. 391.

No. 409

Sir R. Graham (Rome) to Sir J. Simon (Received March 3, 9.30 a.m.)
No. 32 Telegraphic [F 1460/923/61]

ROME, March 3, 1933, 1 a.m.

My telegram No. 29.¹

I have had no answer from Italian government and as I met Signor Mussolini this evening² I pressed him for a reply. His Excellency said that Italy was hardly an arms exporting country. He was ready in principle to adhere to a general scheme of control if we wished it but feared that it could not be made effective. Moreover it seemed rather unfair to refuse arms to China when Japan was already well armed and China was not. Contraband arms would certainly reach both sides and probably Russia would supply arms to China which might lead to further complications.

¹ In this telegram of February 25, not printed, Sir R. Graham reported that 'a very early reply' to No. 360 had been promised by the Under Secretary of State.

² Presumably March 2.

No. 410

Sir J. Simon to Mr. Patteson (Geneva)
No. 145 L.N. Telegraphic [F 1401/923/61]¹

FOREIGN OFFICE, March 3, 1933, 2 p.m.

Your tel. No. 153² (of March 1st. Arms embargo in the Far East).

Following for Mr. Eden.

There is no evidence at present that even a negative decision, still less a positive one, can be reached till attitude of U.S. Govt. is known, which cannot be just yet. As we are not prepared to give a further lead you should not therefore press for a meeting of the Committee.

¹ Only the approved draft of this telegram has been preserved in Foreign Office archives.

² No. 395.

No. 411

Sir M. Lampson (Peking) to Sir J. Simon (Received March 3, 4.30 p.m.)

No. 177 Telegraphic: by wireless [F 1481/18/10]

PEKING, March 3, 1933

His Majesty's Consul-General, Mukden, has been informed by Japanese military authorities, to whom he has given list of British subjects at Jehol, that Japanese aeroplanes will drop leaflets on all important towns requesting all foreigners therein to place distinctive marks on the roofs of houses, also to communicate with Japanese military commanders on entry of Japanese troops when former will afford necessary protection etc. Requests for protection of British subjects in Jehol have already been made at my suggestion by His Majesty's Ambassador at Tokyo, by Mr. Holman at Nanking, by Military Attaché here to Chinese military authorities and by His Majesty's Consul-General, Tientsin, to the Japanese Consul-General.

Usual warnings to missionaries to withdraw have also been issued but it appears from messages received by China Inland Mission that missionaries at Chaoyang at any rate may remain where they are.

No. 412

Sir M. Lampson (Peking) to Sir J. Simon (Received March 3, 5 p.m.)

No. 179 Telegraphic: by wireless [F 1483/18/10]

PEKING, March 3, 1933

Military Attaché reports.

Japanese 14th brigade captured Lingnan yesterday after some fighting and pass at Lingyuan was also forced. In the north Chihfeng was captured and counter attack on which the whole Chinese plan of defence depended failed to materialise as Sun Tien-ying¹ and his 25,000 troops refused to fight. There is now reported to be a general withdrawal and in spite of declaration that a fresh line is being established from Tangsangying through Pingchuan, Jehol itself is said to be being evacuated.

Repeated to Commander-in-Chief, Mission, General Officer Commanding, Tientsin for Brigadier.

¹ In command of the 41st army corps. The Military Attaché's later detailed report on these Sino-Japanese operations (copy received in the Foreign Office on May 10 as enclosure in Peking despatch No. 344 of March 16) read: 'Sun Tien-ying's reserve army, which was to have counter-attacked the Japanese at Chihfeng, was out of touch with Peking Headquarters at the critical moment and in any case was miles from the place where it was expected.'

*Sir J. Simon to Sir F. Lindley (Tokyo)**No. 122 [F 1538/923/61]*FOREIGN OFFICE, *March 3, 1933*

Sir:—

Mr. Matsudaira saw me this afternoon. He referred to the misleading report issued by the Rengo Agency to which I had taken objection some days ago (see Sir M. Lampson's telegram No. 146¹ of February 26th; my reply to him of the same day, No. 92,² and Mr. Eden's telegram to me from Geneva No. 143³ of February 27th). He repeated his regret that a report in this form should have appeared and confirmed that it had no foundation in fact. I pointed out to him how disturbing it was that statements made from Japanese sources should misrepresent the effect of a conversation between us, and told him how much trouble this had given us in correcting the impression created in China, but now that the matter had been cleared up, we could both afford to let it pass from our minds.

2. The Ambassador referred to the reception by Japanese public opinion of our decision announced last Monday⁴ to refuse licences for the export of arms to either China or Japan. He said that he had today sent a telegram to his Government explaining his own view of the matter. He realised that there was an important section of public opinion here which supported the views of the League of Nations and he had pointed out to Tokyo that our announcement was not directed against Japan, and he had discouraged Japanese resentment. He was anxious to know my view about possible international action. I said that as regards any international decision about arms, we had insisted, and would continue to insist, that nothing could be done internationally unless, in addition to the members of the League, the United States agreed and acted in the same way. What was his information as to the attitude of the United States? Mr. Matsudaira replied that his information was that the United States would not consent to any embargo on arms, and he did not think the French would either. I said that my information about the United States was to the same effect and it followed that any international agreement would be impossible. On the other hand, our announcement of last Monday was inspired by the determination not to get involved in differential action in the Far East conflict. We were the friends of both China and Japan and intended to remain so. Since an international decision could not be reached in the absence of the United States, and since we were quite determined not to discriminate between the parties in any decision of our own, it followed that there would not be discrimination in this matter against Japan. Our decision had met an important section of public opinion and he would note that the criticism was made that it really operated against China. My own view was that the decision, which was

¹ No. 377.² No. 380.³ No. 381.⁴ February 27. Cf. No. 387.

provisional and stated to be made pending international enquiry, did not prejudice either side, especially as there were indications that operations in Jehol were rapidly advancing and might soon be over.

3. The Ambassador told me that he thoroughly appreciated this point of view and was doing all he properly could to explain that what we had announced was not directed against Japan. He gave me news of the Japanese advance in Jehol and conveyed the impression that they did not expect any very prolonged or effective resistance in reaching Jehol City.

I am etc.,

(for the Secretary of State)

C. W. ORDE

No. 414

Sir F. Lindley (Tokyo) to Sir J. Simon (Received April 6)

No. 146 [F 2254/33/10]

TOKYO, March 3, 1933

Sir,

I have for some time been considering the desirability of examining as closely as possible the effect on Japan of the application of Article 16 of the Covenant, and I should have furnished you before with some information on this subject had it not been that the Commercial Counsellor, who is alone competent to deal with it, was completely occupied by his work on the Annual Trade Report and was subsequently laid up for nearly a fortnight with an attack of influenza. Mr. Sansom has now happily recovered, and I have the honour to transmit herewith some notes drawn up by him on the subject from which it will be seen that Japan is in a stronger position than is generally believed to resist the pressure of an economic boycott.

I have, &c.,

F. O. LINDLEY

ENCLOSURE IN No. 414

TOKYO, March 3, 1933

Note on the Results of an Economic Boycott of Japan

Assuming the boycott to be complete but *not* taking into account war requirements, the principal effects would probably be as follows:

1. *Food supplies.* The principal imports (1932) are:

Rice and paddy	2½ million piculs
Wheat	12 „ „
Beans and peas	10 thousand „
Sugar	670 „ „
Beef	170 „ „

The total imports of foodstuffs are worth about 150 million yen, or about 10% of the total value of imports.

Of the foodstuffs imported, however, a large proportion is re-exported after undergoing some process, as for instance wheat, which is milled in Japan and exported as flour (3·6 million piculs), or sugar, which is refined and exported.

Further, considerable quantities of foodstuffs produced in Japan are exported, chiefly such marine products as dried and tinned fish, but also fruit, vegetables, etc.

So far as concerns essential foodstuffs there is no doubt that Japan could support a prolonged boycott without much difficulty, unless she had two bad rice harvests in succession; and even then it is most unlikely that she would be unable to make up shortages from Formosa and Korea. In emergency the use of rice for making *sake* would be stopped.

Slight inconvenience might be caused by cutting off supplies of tobacco, coffee, chocolate, etc.

2. Raw materials and semi-manufactured materials.

Raw Cotton is the most important raw material. The imports in 1932 were:—

<i>From</i>	<i>Value in million Yen</i>
U.S.A. . . .	320
India	91
Egypt	15
Other	21
	<u>447</u>

This represents in value nearly one-third of the total imports of Japan.

The effect of cutting off supplies of cotton (apart from its importance in munitions) would be to deprive Japan of her most valuable source of income in foreign trade after raw silk, i.e. the export of cotton textiles. But since by hypothesis she would anyhow not be able to export her manufactures, the requirement of raw cotton would be limited to that needed for domestic consumption. Stocks in hand (these would vary with the season) would probably with economy suffice for domestic needs for about a year; but in any case the Japanese would find little difficulty in solving the clothing problem, by using silk, cotton and silk mixtures, and rayon. There would be a large surplus of silk if exports were cut off, and the rayon industry would manage well enough with domestic supplies of pulp.

Some inconvenience would be caused by the failure of supplies of wool.

Chemicals. Japan is almost self-supporting in regard to the important alkalis.

The lack of certain drugs, dyestuffs, etc. might in the long run prove serious; but I have not sufficient technical knowledge to say what 'key' products *must* be obtained from abroad.

Minerals

Coal exists in adequate quantities in Japan and Manchuria, though there is not enough good coking coal. This could be obtained from the Kailan mines near Tientsin.

Oil. About 700 million gallons of crude heavy and refined mineral oils were imported, chiefly from U.S.A. and the Dutch East Indies. The Navy's fuel oil supplies come from Sakhalien principally, and large stocks are kept. It is certain that manufacturing industry and transport would suffer if oil supplies from abroad were cut off.

Metals. There are inadequate deposits, or none at all, of most metals except copper, but there have been large imports lately. Further, during the European war when prices were high it paid to operate certain mines in Japan, and in emergency no doubt Japan could produce fair quantities of manganese, chromium, tin, zinc, lead, antimony and small quantities of tungsten and molybdenum. Stocks of some of these metals have been built up lately—e.g. zinc, lead.

Nickel and aluminium must be obtained from abroad, and asbestos is available only in small quantities.

Iron ore is not obtained in sufficient quantities in Japan proper, but there are extensive deposits of low grade ore in Manchuria and Korea which could be utilized. The present imports of iron ore from other countries (chiefly Straits Settlements) are about 26 million piculs; but considerable quantities of scrap iron and steel are imported for use in blast furnaces etc. A failure of supply of foreign iron ore would be serious in war time but would probably be only inconvenient otherwise.

Rubber. A shortage would be inconvenient, but not immediately serious. It would not upset transport much, since there are only about 100,000 motor cars in Japan. The import of rubber in 1932 was about 12 million lbs.

3. *Manufactured goods.* The stoppage of imports of machinery would not have any serious results immediately. It would doubtless cause inconvenience, especially to industries dependent upon highly specialised machines or appliances; but in general Japan can turn out most manufactured goods essential to the present standard of living. It must be remembered that the majority of the Japanese still live in a predominantly Japanese fashion, and most imported goods are in the nature of luxuries.

In general one may conclude that a complete cessation of imports would for a year or so not inflict any unbearable hardship upon the Japanese people. It is hardly worth speculating what would happen at the end of that period, for it is quite certain that, once a boycott were instituted, Japan would seek to diminish its effect by predatory activities in China proper and war would develop.

Japan's position in international finance would be ruined almost at once by any large scale boycott of her exports. The principal exports are (1932)

	<i>million yen</i>		
Raw silk	.	.	382
Cotton tissues	.	.	288
Silk tissues	.	.	110
			<u>780</u>

which is more than half the value of all exports. If Japan cannot sell her silk she cannot buy raw cotton, so that (e.g.) an embargo placed upon Japanese silk by the U.S.A. would cause a complete collapse of Japan's credit. The position would be so desperate that the Japanese would feel that they might as well be at war; and they would doubtless go to war at once.

The possibility of an economic boycott has been taken into consideration by the Japanese authorities for many months past and there is no doubt that stocks of most important commodities have been built up. It is not always possible to trace such imports, as direct Government purchases from abroad do not appear in the Customs returns. But it may be assumed that fairly extensive precautions have been taken. From time to time the authorities have let it be known that they were well prepared for a boycott, and though such announcements must be somewhat discounted they have probably a good foundation in fact.

The above notes do not deal with the effect of a boycott upon countries trading with Japan, but it is obvious that the loss of the Japan market would be serious e.g. to producers of raw cotton in the U.S.A. and of raw wool in Australia.

It should be added that a boycott would stimulate domestic production and result in an increase in the efficiency and competitive power of Japanese industry.

G. B. SANSOM

No. 415

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 4, 9.30 a.m.)

No. 68 Telegraphic [F 1494/33/10]

TOKYO, March 4, 1933, 12.5 p.m.

My telegram No. 60.¹

I am surprised at depth of resentment here against arms embargo. My foreign colleagues tell me it is due to the belief of influential Japanese that His Majesty's Government have agreed to embark on an anti-Japanese policy in return for debt concessions. Since American policy towards Japan, ever since the Russo-Japanese War,² has been marked by most shortsighted folly I do not believe in this and have explained embargo to my Japanese friends as due to strong feeling in England against fighting.

My liberal Japanese friends implore me to give them a chance by persuading His Majesty's Government to refrain from any gesture hostile to Japan since so long as such gestures continue there is no hope of their regaining any influence. I agree with them and hope that now the League of Nations has done its best it will be possible to leave Manchurian question alone.

¹ No. 401.

² 1904-5.

Situation reminds me of the Jamieson [*sic*] Raid which only received popular support in England because of the Kaiser's telegram.³

³ A reference to the German Emperor's congratulatory telegram of February 3, 1896, to President Kruger after the failure of the raid launched on the evening of December 29, 1895, into the Transvaal by Dr. Jameson. Cf. No. 432 below, paragraph 6.

No. 416

Sir M. Lampson (Peking) to Sir J. Simon (Received March 4, 8.30 p.m.)

No. 183 Telegraphic: by wireless [F 1501/923/61]

PEKING, March 4, 1933

Following received from Canton.

Addressed to Peking No. 10 of March 3rd, repeated to Mission.

Arms embargo.

A contract with Vickers through their agents Jardine Matheson and Company was almost signed about February 3rd for three batteries of anti-aircraft guns and 12 Amphibian tanks costing approximately 280,000 pounds but owing to minor point contract was not completed. Marshal Chen Chai-tong¹ and chairman of Provincial Government have approached me with request that I would lay matter before you in the hope that some special treatment can be obtained. They state that these munitions of war are urgently required for defence of Canton against attack from any quarter and that money is being subscribed by the people. They also asked me to remind you that this contract was mentioned at your interview on January 16th² and that negotiations have been going on for six months. They put delay on Jardine Matheson and Company.

While I was careful to avoid holding out any hope of special exception being made in this case I said I would report to you position.

Delay in signing this particular contract is unfortunate as it may react on local relations generally.

¹ Presumably Marshal Chen Chi-tang; cf. No. 15, note 6.

² Sir M. Lampson had visited Canton, January 15-17.

No. 417

Sir M. Lampson (Peking) to Sir J. Simon (Received March 4, 8.35 p.m.)

No. 184 Telegraphic: by wireless [F 1502/923/61]

PEKING, March 4, 1933

Canton telegram No. 10.¹

No doubt His Majesty's Government considered effect of arms embargo upon orders for and employment in United Kingdom before deciding upon it.

Repeated to Canton and Mission.

¹ See No. 416.

Sir M. Lampson (Peking) to Sir J. Simon (Received March 5, 7.30 a.m.)
No. 185 Telegraphic: by wireless [F 1495/18/10]

Immediate. Most confidential

PEKING, March 4, 1933

Though denied in Reuter's message today from Tokyo Chang Hsueh-liang's private secretary has just called to say that Japanese General at Tientsin has protested to Chinese garrison Commander Tientsin that use of Railway for movement of Chinese troops particularly round Tongku [Tangku] is contrary to Boxer protocol. Garrison Commander had telegraphed to Chang Hsueh-liang for instructions and latter wished to know most privately and non-committally what my feeling was as to the attitude I shall adopt.

2. I replied that without consulting His Majesty's Government I could not of course say what their attitude towards invocation of protocol in the present circumstances would be, but I reminded him of what I had recently said to Minister of Finance ('circumstances altered cases' see my telegram No. 123)¹ as indicating my own personal view which I had reason to believe was fully shared by United States Minister who, I fancied *did* know the views of his Government. But to turn to the more practical side why not avoid using that particular bit of line if possible? It might well be that Japanese General at Tientsin was seeking for a pretext to cut the line at Tongku.

3. Mr. Li seized on this and seemed to think it possible of adoption. As to the answer to be returned to Japanese General he opined that the best course might be to say that this being a question of treaty interpretation it must be raised by Tokyo with Nanking government and not dealt with between local commanders at Tientsin.

4. Turning to the situation in Jehol Li informed me that Tang Yu-lin's troops were now 'racing' back for the pass at Kupeikou; that Japanese armoured cars had this morning entered Jehol city; that Chang Hsueh-liang's troops were barring the way to Tang Yu-lin's troops at the pass and that a fight with them there might occur at any moment; that two brigades of Chiang Kai-shek's troops (say 20,000 men) from the south had detrained at Fengtai (a suburb of Peking) this morning; and finally that Chiang Kai-shek and Minister of Finance would arrive at Peking tomorrow morning.

5. Meanwhile Shansi which had promised all assistance in case of emergency were standing tacitly by and not a man had left the province to help.

6. As the question of interpretation of Boxer protocol may evidently arise at any moment I should be grateful for urgent instructions, I submit that its invocation as reported by Japan is inadmissible. Our rights thereunder are limited to keeping open communications between legations and the sea: and so long as there is no ground to fear their being cut, we have no *locus standi* e.g. to forbid movement thereon of Chinese troops which has in fact been allowed to take place for years past. From earlier conversations, the

¹ No. 344.

above, I know, represents general gist of the United States Minister's instructions from his government.

Repeated to Commander-in-Chief, General Officer Commanding Tientsin for Brigadier, Mission, and Tokyo.

No. 419

Sir M. Lampson (Peking) to Sir J. Simon (Received March 5, 4.30 p.m.)

No. 188 Telegraphic: by wireless [F 1505/18/10]

PEKING, March 5, 1933

Following received from Mukden March 5th. Begins:—

Addressed to Peking No. 32, repeated to Tokyo, by post to Newchwang, Harbin and Dairen.

My telegram No. 31.¹

Military headquarters announce this morning that Jehol was occupied yesterday without serious fighting and that Japanese troops have occupied Lengkow pass.

Japanese troops are reported to be advancing from Jehol towards Kupei-kow.

¹ This telegram from Mukden to Peking does not appear to have been repeated to the Foreign Office.

No. 420

Sir J. Simon to Sir M. Lampson (Peking)

No. 110 Telegraphic [F 1495/18/10]

FOREIGN OFFICE, March 6, 1933, 7.5 p.m.

Your telegram No. 185¹ (of March 4th: Interpretation of Boxer Protocol).

I agree with view expressed in paragraph 6 of your telegram under reference. The sending of Chinese troops by train along the railway-line is not expressly prohibited either by the Protocol of 1901 or by the conditions for dissolution of provisional Government of Tientsin of 1902.² Resolutions of the diplomatic body of January 26th, 1912,³ expressly permitted the use of the railway-line by Chinese troops. Should the question be raised officially, you might use these facts in opposing any proposal to invoke the protocol against Chinese troop movements on the present occasion. Nevertheless I approve the advice you gave to Mr. Li to abstain from using the railway if only to avoid giving the Japanese a pretext for going south of the Wall.

Repeated to Tokyo No. 74.

¹ No. 418.

² Cf. Nos. 187 and 188.

³ Cf. No. 188, paragraph 3.

No. 421

*Sir J. Simon to H.M. Representatives at Paris, Washington,
Rome, Prague, Stockholm, and Brussels*
No. 28¹ Telegraphic [F 1573/923/61]

FOREIGN OFFICE, March 6, 1933, 10 p.m.

My telegram of 23rd February.² Arms Embargo.

In answer to questions in parliament to-day about the present position and prospects in regard to the embargo imposed by His Majesty's Government in the United Kingdom on the 27th February on the export of arms and ammunition to China and Japan, I am replying as follows:—

'There is no indication of universal agreement. This leaves this country in a situation which cannot be allowed to continue, and this is first matter which will be taken up by the Prime Minister and myself at Geneva this week.'³

(Not to Washington.) Please bring this reply to the notice of Minister for Foreign Affairs, and, without exerting any pressure, express the hope that his government's representative at Geneva may be in a position when the Prime Minister arrives in Geneva to state their attitude regarding the export of arms to China and Japan.

(To Washington only.) Please bring this reply to the notice of the Secretary of State and endeavour to ascertain whether policy of present administration in this matter remains as described in your telegram No. 135⁴ or whether any change is probable.

Repeated to Geneva No. 149.

¹ No. 28 to Paris; No. 107 to Washington; No. 45 to Rome; No. 4 to Prague; No. 8 to Stockholm; No. 9 to Brussels.

² No. 360.

³ See 275 *H.C. Deb.* 5 s., col. 774. The substance of the first paragraph of the above telegram and the quotation in the second were telephoned to Mr. Patteson (Geneva) as telegram No. 148 of 2.10 p.m. of March 6, and repeated to Tokyo as telegram No. 73 and to Peking as No. 109 of the same date.

⁴ No. 367.

No. 422

Sir R. Graham (Rome) to Sir J. Simon (Received March 7, 9.30 a.m.)
No. 33 Telegraphic [F 1537/923/61]

ROME, March 6, 1933, 10.25 p.m.

Your telegram No. 40¹ and my telegram No. 32.²

Note verbale of today's date from the Italian Government: 'Government does not propose to take any unilateral measures in regard to exportation of war material to China and Japan. Italian Government is disposed to consider in principle possibility of collective action in this matter although

¹ See No. 360.

² No. 409.

discussions on this subject up to date at Geneva do not seem to make it appear probable that agreement will be reached at the present moment between Powers who manufacture and sell war material.'

I gather that no instructions have been sent to Italian delegation.
Repeated to Geneva.

No. 423

Sir J. Simon to Sir M. Lampson (Peking)

No. 112 Telegraphic [F 1501/923/61]

FOREIGN OFFICE, *March 7, 1933, 5.10 p.m.*

Canton telegram to Peking No. 10 (Repeated to Foreign Office in Peking telegram No. 183 of March 4th. Arms Embargo).¹

You will realise from my telegram No. 148 to Geneva² that our position will shortly have to be reviewed in the light of attitude of other Governments. As the contract has been so long delayed there ought to be no difficulty in keeping the matter in suspense for a few days.

¹ No. 416.

² See No. 421, note 3.

No. 424

Sir J. Simon to Sir F. Lindley (Tokyo)

No. 75 Telegraphic [F 1494/33/10]

FOREIGN OFFICE, *March 7, 1933, 6.20 p.m.*

Your telegram No. 68¹ (of March 4th: Japanese feeling about the arms embargo).

Feeling you report is evidence that sensitiveness to criticism has entirely prevented an objective view. Outside Japan a criticism often voiced is that embargo so far as it has any practical effect favours Japan. The answer you have given is quite correct and you should repudiate as occasion offers idea that embargo was designed to please United States Government, which is quite beside the mark.

¹ No. 415.

No. 425

Sir M. Lampson (Peking) to Sir J. Simon (Received March 7, 6.45 p.m.)

No. 196 Telegraphic: by wireless [F 1575/18/10]

PEKING, *March 7, 1933*

My telegram No. 177.¹

In reply to representations Waichiaopu state that they have telegraphed to Tang [Yu-lin] to afford protection and if necessary facilitate withdrawal of British subjects. Tang having fled² above is of course now out of date.

¹ No. 411.

² Cf. No. 418.

Japanese Military authorities at Mukden announced on March 5th that there was now³ reason to doubt safety of foreigners in the province.⁴

His Majesty's Consul-General, Mukden, reports with capture of Jehol main military operations are now considered to be over and the most important work now is consolidation of the position along the line of the Wall. The question of establishing a neutral zone along it will be considered when future intentions of Chinese forces are clearer.

Repeated to Commander-in-Chief, General Officer Commanding, Mission, Tientsin for Brigadier.

³ It was suggested on the filed copy that this word should read: 'no'.

⁴ A message from the Japanese Ministry of Foreign Affairs to the effect that all missionaries in Jehol were safe was transmitted to the Foreign Office in Tokyo telegram No. 70 of March 8 (received 10.10 a.m.), and Sir M. Lampson reported in his telegram No. 203 of the same day (received 5 p.m.) that the Japanese Consul-General had informed him that 'all foreign residents in places in Jehol province taken by the Japanese army were safe and well protected'.

No. 426

Sir M. Lampson (Peking) to Sir J. Simon (Received March 7, 7 p.m.)

No. 197 Telegraphic: by wireless [F 1577/923/61]

PEKING, March 7, 1933

Following received from Mission No. 97 of March 5th.

Begins :

Your telegram No. 165.¹

What comment has appeared up to date in Chinese press regarding arms embargo has been unfavourable. Embargo on both Japan and China is looked upon as injustice to China. As His Majesty's Government have admitted Japan has violated Covenant, embargo should be on Japan alone and not on China who is acting in self-defence. Japan having already on order large consignments of arms from England and also being able to manufacture munitions of war herself will not be affected in the same way as China who must depend on foreign countries for supplies.

Similar views were expressed by Wu² in interview to the press at Shanghai on March 3rd.

¹ This Peking telegram to Nanking does not appear to have been repeated to the Foreign Office.

² Presumably, General Wu Tieh-cheng, Mayor of Greater Shanghai.

No. 427

Mr. Patteson (Geneva) to Sir J. Simon (Received March 8, 9 a.m.)
No. 169 L.N. Telegraphic [F 1584/33/10]

GENEVA, March 8, 1933, 12.50 a.m.

Following from Mr. Eden.

I understand some of the smaller Powers members of Advisory Committee on Sino-Japanese dispute have come to the conclusion as a result of enquiries they have been making that an arms embargo is not likely to be realised soon. Since however some method of emphasising League decision is in their judgment necessary they are likely to propose at the next meeting of Committee that the Powers who had voted for Assembly resolution of February 24th should be recommended to withdraw their ambassadors or ministers from Tokyo leaving Chargés d'Affaires to conduct their business with Japanese Government.

I do not anticipate meeting of this committee before the beginning of next week.

No. 428

Sir J. Simon to Sir M. Lampson (Peking)
No. 113 Telegraphic [F 1535/923/61]

FOREIGN OFFICE, March 8, 1933, 11.40 a.m.

Commercial Counsellor's telegram to Peking No. 14¹ (repeated to Foreign Office in Peking telegram No. 190 of 6th March. Aviation contracts).

Embargo applies to war material mentioned in Arms Export Prohibition Order of 1931. Open General Export Licences issued 1st June 1931 are still valid, and permit export of inter alia aircraft (without armament) and certain explosives. Paraphrases of Prohibition Order and of Open General Licences are published in first issue of Board of Trade Journal in January, April, etc.

¹ Not printed. In this telegram of March 3 from Shanghai the Commercial Counsellor had requested definite information as to the extent of the arms embargo. He reported the view of the Far East Aviation Company, who were negotiating large aeroplane contracts amounting to £250,000, that, if the embargo was as announced in the press, the contracts would probably go to foreign competitors who would hold the market to the eventual exclusion of British aircraft. He said that both the British Chamber of Commerce at Shanghai and the British Residents Association had telegraphed home 'representations against embargo by the United Kingdom alone'.

No. 429

Sir R. Lindsay (Washington) to Sir J. Simon (Received March 9, 9.30 a.m.)
No. 156 Telegraphic [F 1618/923/61]

WASHINGTON, March 8, 1933, 9.50 p.m.

Your telegram No. 107.¹

Secret.

1. Yesterday I gave aide mémoire² to Under Secretary of State embodying your statement and asked what the policy of United States Government would now be on the subject of arms embargo. He was naturally unfamiliar with the problem but promised to enquire and let me know as soon as possible.

2. Today Mr. Norman Davies [*sic*] asked me what I knew as to the intentions of His Majesty's Government. I said that I knew nothing further than that your later statement contemplated the withdrawal of the embargo. He said general embargo unquestionably constituted a hardship on China. Alternatives were either to do nothing or to impose the embargo against Japan who was declared as the aggressor Power. That would mean British and American Fleets standing together to enforce the embargo, and he added 'I am not sure that we should not be prepared to do so'. I said speaking personally that I felt quite certain that His Majesty's Government in the United Kingdom would not for a moment contemplate any action of this nature and he took my answer as conclusive.³

3. He said it was obviously the right and proper thing that the President should have the power to impose arms embargo delegated to him by Congress as proposed in resolution introduced last session and he had some hope that the new Congress would accord this power to him. Pittman, the new chairman of the Senate Committee on Foreign Relations, was entirely in favour of legislation in this sense.

4. I need hardly add that no definite conclusions should be drawn from the preceding paragraph. In the present state of confusion it is impossible to foretell the attitude of Congress on anything or how Administration would use its powers of embargo if they were accorded.

¹ See No. 421.

² For the text, see *F.R.U.S.* 1933, vol. iii, pp. 225-6.

³ For Sir R. Lindsay's comments on a possible connection between this suggestion for Anglo-U.S. co-operation in the Far East and the settlement of the war debts question, see Volume V, No. 531.

No. 430

Sir M. Lampson (Peking) to Sir J. Simon (Received March 8, 5 p.m.)
No. 200 Telegraphic: by wireless [F 1614/923/61]

PEKING, March 8, 1933

Your telegram 112¹ has been repeated to Canton reference last sentence.

If position is being reviewed you may wish to be reminded of our experience of arms embargo as applied until comparatively recently over a long period

¹ No. 423.

of years to this country. In practice it was a complete farce (see correspondence at the time ending with my despatch 675 of 1929)² only Great Britain and to some degree America striving seriously to implement it. Other countries—especially France and Italy—almost openly evaded it—a fact jokingly admitted to me only a few days ago by my late French colleague now French Ambassador in Tokyo.

2. No one dislikes arms traffic in general more than I; but the sole result of the past was to drive orders elsewhere than to Great Britain; and in time of national stress such as the present I cannot help feeling that placing of orders in Great Britain should outweigh other more noble considerations.³

Repeated to Mission.

² In this despatch of April 30, 1929 (received July 10) Sir M. Lampson had outlined the circumstances under which the Arms Embargo Agreement of May 5, 1919, and the subsidiary Naval Equipment Agreement of 1923 came to be made, the manner in which they worked in practice, and the events leading to their cancellation on April 26, 1929.

³ A minute of March 9 on the file by Mr. Bowker reads: 'The considerations advanced by Sir M. Lampson were gone into at length before it was decided to impose an embargo.'

No. 431

Sir F. Lindley (Tokyo) to Sir J. Simon (Received April 6)

No. 150 [F 2258/1632/23]

TOKYO, March 8, 1933

Sir,

With reference to my despatch No. 55¹ of January 27th last on the subject of the arrests of communists in this country during the year 1932, I have the honour to report that, notwithstanding the claim made by the police that the communist movement had been crushed, there is every indication that—at least in the estimation of the authorities concerned—it is as widespread as ever.

2. On over twenty occasions since January 18th—the date upon which news of the activities of last year was released—the vernacular press has reported arrests, in Tokyo or in outlying parts of the country, of communists or persons suspected of 'dangerous thoughts,' and while no exact details are available the number of persons involved must amount to some hundreds. Those arrested in the capital include a man named Ota, said to be one of the leaders of the movement, who had previously succeeded in eluding the police, many students of the Tokyo Imperial University and other educational establishments, shop assistants, Koreans and others; while those arrested in the provinces include sixty-eight primary school teachers belonging to Nagano Prefecture and ten or more persons living in the island of Sado in the Japan Sea.

¹ In this despatch (received March 9; not printed) Sir F. Lindley said that, according to information released to the press, during 1932 'the total number of arrests made throughout Japan in connection with alleged communist activities amounted to nearly 7,000'.

3. Special importance seems to have been attached to the arrest of the teachers referred to above, since Nagano Prefecture has always been looked upon as a district where education was more advanced than in many other parts of the country, and where the people were imbued with sound political ideas. The discovery of suspected communists among the primary school teachers of the Prefecture came, therefore, as a shock to educational and political circles. It is surprising that the matter does not appear to have been referred to in the Diet; but, though the Kokumin Domei, Mr. Adachi's new party, are reported to have wished to make the incident the occasion for a vigorous attack on the Government in conjunction with the Seiyukai and the Minseito, neither of the latter was willing to fall in with their plans. Under normal conditions an affair of this kind would undoubtedly have been seized upon by either of the major political parties as a means of embarrassing the other, and the fact that the matter has been passed over in silence is a striking proof that neither the Seiyukai nor the Minseito wishes at the moment to embarrass the Government.

4. As regards the other arrests to which I have referred it is, as I have indicated in previous despatches on this subject, hard to believe that communism is as rife as it is made out to be. I am inclined to think, therefore, that the continued arrests are due to the nervousness of the police at a time of particular anxiety, while there is also no doubt a desire to show how efficient and zealous they are in the performance of their duties. During the past few years many police officers have been killed or wounded in affrays connected with the rounding-up of communists, and there has been a growing feeling that something should be done for the police force to compensate them for the increasingly hazardous nature of their work. In pursuance of this idea proposals for an improvement in the status of police officers have been under consideration, and these have now taken shape in the issue towards the end of last month of a series of Imperial Ordinances, under the provisions of which the police are, as from March 1st, to be accorded the same treatment as regards status as civil² and military officers. The change, which will bring about an amelioration in the conditions of service and in the disciplinary rules hitherto applying to the police, is described as marking an epoch in the history of the force in this country, and is the more interesting as it seems to have been brought about more or less as the direct result of the difficulties of coping with the communist movement.³

I have, &c.

F. O. LINDLEY

² Possibly in error for 'naval'.

³ A later Tokyo despatch, No. 647 of November 24, 1933, referred to the above despatch (No. 150) and reported that 'over 1,000 persons suspected of holding radical views have been arrested in a series of police raids since February last'.

*Sir F. Lindley (Tokyo) to Sir J. Simon (Received April 6)**No. 152 [F 2259/923/61]*

TOKYO, March 8, 1933

Sir,

I have the honour to report that the decision of His Majesty's Government, reported in your telegram to Geneva No. 136¹ of the 28th ultimo, to place an embargo on the export of arms to China and Japan caused a much greater sensation in this country than I should have expected in view of the fact that, so far as the embargo has any effect at all, it must necessarily operate to the advantage of the Japanese. The Press Bureaux of the Ministries for Foreign Affairs, for War and for Marine all dealt at length with the subject in their interviews with the correspondents of foreign newspapers, and I obtained the information, reported in my telegram No. 60² of the 2nd instant, on this subject from some of the gentlemen who had been at the various Ministries. A *mot d'ordre* had evidently gone forth from high quarters, since the tenor of all the official criticism given out was much to the same effect if one takes into consideration the different points of view of the various Ministries. This criticism laid stress on the fact that, while the British arms embargo did no particular harm to Japan, it constituted, nevertheless, a severe censure of her policy; and there was remarkable unanimity in the opinion expressed that the step taken by His Majesty's Government of expressing this censure was due to a desire to please America and thereby to obtain a more advantageous debt settlement. The Foreign Office spokesman compared the position now to that which had resulted in the abrogation of the Anglo-Japanese Alliance at the dictation of the United States.³ The spokesman at the War Office, while endorsing the remarks of his colleagues, told one of my informants that the condemnation of Japan which had found expression in the House of Commons was in reality welcomed by the Military Party in that it helped to rally the whole nation to their support.

2. Your speech, to which reference is also made in your above-mentioned telegram to Geneva, was very scantily reported in the Japanese press which, with the exception of the important 'Asahi', had few comments to make. This newspaper took umbrage at your outspoken announcement that Japan had broken the Covenant, and made no mention of the passage in which you emphasised the provocation received from China or the statement that His Majesty's Government were determined not to be drawn into the quarrel. In fact I can only presume that observations were made by you on these subjects on account of a reference to them which appeared in the American newspaper the 'Japan Advertiser'. The 'Asahi' further remarked that the Ministry for Foreign Affairs were disturbed and dissatisfied with the attitude of His Majesty's Government.

¹ No. 387.² No. 401.³ Cf. *ibid.*, note 3.

3. Some of my colleagues, whose principal occupation here is to give free rein to their exuberant imaginations and to spread the most alarming rumours amongst the ill-informed, assured me that influential Japanese were convinced that His Majesty's Government had agreed with the American Government to embark on an anti-Japanese policy in return for debt concessions and that this was at the bottom of the widespread resentment felt over the arms embargo. Needless to say I did not believe this statement, which, apart from its inherent improbability, seemed at variance with your telegram No. 136¹ of the 28th ultimo to Geneva; and I lost no opportunity of assuring my Japanese friends that it seemed clear to me, knowing the very strong feeling against war which prevailed in my country, that the action of His Majesty's Government had been taken entirely in deference to this feeling. On the 4th instant I called on the Vice-Minister for Foreign Affairs, the Minister being engaged at the Diet, to convey my personal condolences for the loss suffered in North-eastern Japan owing to the earthquake and tidal wave; and, after fulfilling this duty, I turned to the subject of the arms embargo and informed Mr. Arita that I had been much surprised at the resentment which this measure seemed to have provoked here. I told him frankly that I had heard that the opinion was widespread that the embargo had been put on in order to curry favour with the American Government. This seemed to me a preposterous idea, and I had no doubt in my own mind that it was entirely due to the cause mentioned above. Mr. Arita assured me that the Ministry for Foreign Affairs were well aware of the true facts of the case and that they did not ascribe our action to any unfriendly feeling or to any desire to form an Anglo-American front against Japan. From this I presume that Mr. Matsudaira has kept his Government correctly informed. This morning I was much gratified to receive your telegram No. 68⁴ of yesterday's date informing me that my explanation was the correct one, and approving the language which I had held to my Japanese friends and, by implication, my conversation with Mr. Arita, which I had not thought it necessary to report.

4. Personally I was much less disturbed by the unfounded belief here regarding the motives of His Majesty's Government in this matter than I was by the possibility that an arms embargo, which obviously favoured Japan, would give rise to a strong agitation at home for an embargo on Japan alone. And I felt it necessary to despatch to you my telegram No. 61⁵ of the 2nd instant conveying a warning that such a measure would probably have serious repercussions in this country. While it was impossible to say exactly what the reaction of the Japanese Government would be to a one-sided embargo, I felt, after consulting my Naval and Military advisers, that it would be certain to take a form which would seriously complicate the situation. If it did not lead the Military authorities to launch into some fresh adventure in North China, both the Naval and Military Attachés agreed that it would probably be countered by some form of blockade to prevent arms reaching the Nanking Government.

⁴ It was suggested on the filed copy that this should read '75', i.e. No. 424.

⁵ No. 402.

5. It was also clear to me that the Japanese were uneasy lest the arms embargo might be the thin end of the wedge of an economic boycott, since the papers announced that some quarters were advocating an extension of the embargo to include all articles in the British list of contraband of war—a list which comprised almost every product necessary to mankind.⁶ A newspaper report, to the effect that the Canadian Government were contemplating an embargo on nickel to Japan, seemed to confirm the possibility of such an extension and greatly alarmed the Canadian Minister, as reported in my telegram No. 62⁷ of the 2nd instant—the more so as it came on top of the telegram from his Government instructing him, if practicable, to stop further construction on the Canadian Legation. (See my telegram No. 58 of the 27th ultimo.)⁸

6. I am aware that it must be exceedingly difficult in London to realise the state of feeling in this country and it seems to me that those who are old enough can best do so by casting their memories back to the Jamieson [Jameson] raid and the South African War. The Jamieson raid was far more indefensible than was the Manchurian incident of September, 1931, and I think it is true to say that it would have been universally condemned by all serious opinion in England had it not been for the Kaiser's telegram congratulating the Transvaal Government. That telegram immediately rallied the public to the defence of Dr. Jamieson; and so it has been here. Every gesture and every pronouncement in favour of China has merely served to strengthen the Military Party in Japan, and will continue to do so until the question is finally settled. Then, as regards the South African war, it will be within the recollection of anyone who was abroad at that time that foreign public opinion was infinitely more universally hostile to Great Britain than has been the case towards Japan during the present troubles. Yet this condemnation of world opinion had not the smallest influence on the policy of His Majesty's Government in continuing the war to the end. I know that it will be objected that the world is no longer the same now as it was thirty years ago; but this objection does not hold good as regards Japan, even if it holds good as regards other countries, which I doubt; for Japan, as I have frequently pointed out, did not suffer during the Great War and did not, in consequence, undergo any change of heart as a result of it.

I have, &c.,

F. O. LINDLEY

⁶ This was a reference to the Contraband Proclamations, issued from time to time during the First World War, specifying the articles to be treated as contraband of war. See A. C. Bell, *The Blockade of Germany 1914–1918* (Committee of Imperial Defence: declassified 1960) Appendix II.

⁷ No. 403.

⁸ Not preserved in Foreign Office archives.

No. 433

Sir M. Lampson (Peking) to Sir J. Simon
(Received April 20)

No. 305 [F 2578/18/10]

PEKING, March 8, 1933

His Majesty's Minister, Peking, presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and transmits herewith two copies of the undermentioned paper.

<i>Name and Date</i>	<i>Subject</i>
Minute by His Majesty's Minister of 6.3.33.	Jehol. Record of conversation with French Minister.

ENCLOSURE IN NO. 433

PEKING, March 6, 1933

The French Minister called this morning—evidently with a view to a general discussion on the developments that have just arisen in regard to Jehol. But we agreed, after a very short discussion, that there was obviously nothing for us to do at present.

He told me that Mr. Nachbaur¹ had just got back from Jehol and had given him a vivid description of what had occurred there. He also told me that Monsieur Lagarde, Counsellor of the French Legation, had been up there too, and had seen the whole thing. Apparently these two had got into Jehol before the collapse, when everything was perfectly peaceful: but within half-an-hour had come the entry of the Japanese and a general panic, with thousands of Chinese soldiers fleeing southward from the city. About 100 Japanese soldiers under a colonel had entered the city and had installed themselves in the Imperial Palace there. The colonel had seated himself upon the Imperial Throne and had proceeded to issue a proclamation. I gathered that the travellers had found some little difficulty in getting back. One of the things that had struck them most was that as soon as they had got through the pass of Kupeikou they had met quantities of Chinese soldiers marching towards the pass from the Peking side. What did I think about that?

I said I was not really surprised, because, speaking very confidentially, on Saturday² night I had received a visit from one of Chang Hsueh-liang's close associates, who had told me of the *débâcle* of Tang Yu-lin's troops and of the declared intention of the Young Marshal to bar their passage down into the Peking plain. Presumably the troops which Lagarde had seen marching North-eastward were the Young Marshal's troops on their way to the pass to carry out the Young Marshal's instructions; but whether they would in fact keep out Tang Yu-lin's troops by force was another matter. I added that when I received this visit on Saturday night the thought had gone

¹ Presumably the French journalist M. Nachbauer of the *Journal de Peking*.

² March 4; cf. No. 418.

through my mind that I should invite him, the French Minister, and our American colleague to an exchange of views regarding possible eventualities, more especially as affecting the safety of Peking; but on consideration it had seemed clear to me that there was no immediate cause for anxiety, and that in the circumstances the less cause we any of us gave for alarmist rumours amongst our own people or the Chinese, the better for all concerned. Accordingly I had refrained from calling the three of us together.

Monsieur Wilden said he thought I had acted rightly. So far as he could judge, there was no sign of any alarm here in Peking, and the less any of us did to upset the present calm the better for all concerned.

I asked Monsieur Wilden if he had heard anything of the possible arrival in the North of Chiang Kai-shek and T. V. Soong, but he replied in the negative. I said that I *had* heard of such an intention, but so far as I was aware they had not yet come; perhaps they would not.

Monsieur Wilden then referred to T. V. Soong's statement on the Jehol collapse, published by Reuter this morning (see attached),³ and we agreed that in the circumstances it was pretty good and commendably outspoken.

On leaving Monsieur Wilden said he had merely called 'to tranquilise his mind' by a general talk with me and, having succeeded in his object, he would now take his departure. We agreed that we would keep in close touch on any developments that might occur.

I should add *en passant* that at one moment Monsieur Wilden enquired whether I was keeping my Government fully informed by telegraph, and more especially what line I was taking. I told him that as a matter of general procedure I always tried to confine myself in the first stages of an affair to reporting facts and to refrain as far as possible from theorising, which led one nowhere save occasionally down the wrong turning. Facts spoke for themselves in London as well as they did here; and it was only when one was quite clear in one's own mind where the facts seemed likely to lead that I felt justified in offering any special comment upon them to my Government. To be precise, the only point on which I had so far asked for instructions was regarding the interpretation of the Boxer Protocol in the event of its being invoked by Japan to prevent the movement of Chinese troops along the railway line. On that I had felt justified in indicating my views to London, namely, that any such interpretation was inadmissible seeing that the Protocol was designed for an entirely different object, namely, the keeping open of communication between the Legations and the sea. But I had not so far had time to receive any reply from the Foreign Office. Monsieur Wilden said that he shared my view as regards the interpretation of the Protocol. I thought it just worth mentioning to him that I had already communicated to the Chinese very discreetly that, be the interpretation of the Protocol what it might, they would probably be well advised to avoid forcing an issue, either by keeping their troops off the line during any retreat West or in such other manner as they thought best.

M. W. LAMPSON

³ Printed as Annex below.

ANNEX TO ENCLOSURE IN NO. 433
Extract from 'Reuters Pacific Service' of March 6, 1933
T. V. Soong on Jehol Collapse

SHANGHAI, *March 5*

Until our military leaders discard eighteenth or nineteenth century conceptions of warfare and begin training a modern army in earnest so long will national defence be lacking, says Mr. T. V. Soong, acting President of the Executive Yuan, in a statement on the loss of Jehol.

On his return from Jehol Mr. Soong says he predicted a Chinese collapse within a week or ten days but his forecast was received with polite incredulity. Mr. Soong refers caustically to 'Traditions of old-fashioned warfare where vast armies marched and counter-marched with but little bloodshed and do most of the fighting with telegrams and proclamations.' He goes on, 'Our generals who strut about in field grey uniforms with Sam Browne belts neglect that one universal principle of warfare enunciated by our greatest strategist, "soldiers are trained for a thousand days to be employed for a single day".'

Mr. Soong compares the highly mechanised Japanese army well supplied with ammunition and foodstuffs and with an efficient transport system with an army that 'has no staff work, with generals staying hundreds of miles behind, with no transport except of the most primitive sort'.

He then goes on, 'Nevertheless I maintain that we did right in fighting in Jehol if only to prove that Jehol is Chinese territory momentarily to be filched by a stronger enemy. At least Jehol did not go by default. . . .⁴ now that the debacle has come the public demands scapegoats. There will be no scapegoats . . .⁴ the blame lies not so much with individuals but with the system which permits the existence of vast armies of ill-fed, ill-armed, ill-trained soldiery which in a time of crisis degenerates into helpless mobs. But we need not despair. From the depth of our defeat and from the unconquerable courage the nation has been showing in the face of frequent disasters there will arise from the anvil (sic!)⁴ of Japanese aggression something strong and pure, for great nations must be forged with blood and tears.

'At this time last year the world was hailing the epic of heroism that was the Chinese soldier at Shanghai. To-day it looks with wondering eyes on a rabble fleeing back to the gates of Peking. These two came from the same stock only the one was quickened by the spirit of nationalism and the other corrupted and paralysed by the taint of archaic and incompetent military professionalism.'

Reuter

⁴ Punctuation as in the filed extract.

No. 434

Sir M. Lampson (Peking) to Sir J. Simon (Received March 9, 5 p.m.)
No. 205 Telegraphic: by wireless [F 1659/176/10]

PEKING, March 9, 1933

Your telegram No. 10.¹

British and Chinese Corporation report that the administration of the Fengshan Railway² has now assumed complete control of Shanhaikuan Station and has appropriated structural materials from intra-mural section of line.

Corporation once more requests that representations be made in the interests of British bondholders in view of the fact that by Article 3 of agreement, loan of 1898 is secured in part on permanent way and the entire property of the line between Peking and Shanhaikuan.

I request your instructions as to the filing of a protest. And if so should it not be at Tokyo rather than here?

Repeated to Mission and Tokyo.

¹ No. 192.

² A marginal note on the filed copy here reads: 'i.e. Shanhaikuan to Mukden.'

No. 435

Sir M. Lampson (Peking) to Sir J. Simon (Received March 9, 4.30 p.m.)
No. 206 Telegraphic: by wireless [F 1660/18/10]

PEKING, March 9, 1933

Following received from Mukden March 8th. Begins:

Addressed to Peking No. 37; repeated to Tokyo by post, to Harbin, Newchwang, Dairen.

My immediately preceding telegram.¹

Japanese military authorities announce that Japanese troops occupied Kubeikou [Kupeikou] at 2 o'clock this afternoon² after it is believed considerable fighting.

¹ Repeated to the Foreign Office in Peking telegram No. 202 of March 8, not printed.

² This statement was amended in Mukden telegram No. 38 of March 9 to Peking (repeated to the Foreign Office in Peking telegram No. 212 of March 10) which said that the military authorities announced that the 'information furnished yesterday regarding capture of Kupeikou by Japanese troops was incorrect. Severe fighting is still taking place near Changshanku north of pass'.

On March 24 the Foreign Office received from the Japanese Chargé d'Affaires in London a translation of an official telegram relating to the movements of the Japanese forces in Jehol which he had received the previous day. This contained the following:

'1. *Kupeikou*: On the afternoon of the 10th the Kawahara column captured the north-east part of the Great Wall at Kupeikou, but on the 11th the Chinese offered strong resistance, establishing themselves on a hill and a part of the Great Wall south-east of Kupeikou. The column removed their headquarters to a hill north-east of Kupeikou to conduct a campaign against the Chinese at these points, and a general attack on the 12th resulted in the capture of these points by the Japanese. (The Chinese forces at Kupeikou were those of the 112th and 107th Divisions of Chang Hsuehliang's army and the 25th Division of the Central army,

Large Chinese reinforcements are known to be moving north from Peking and Tientsin but Japanese army headquarters are disinclined to believe that any attempt will be made by Chinese to penetrate north of the Wall. Question of establishing a neutral zone is still in abeyance.

totalling more than 20,000 altogether.) The Chinese casualties since the 10th March are estimated at 1,000; those of the Japanese are 21 killed and 76 wounded.

'2. *Lowenkan*: The Hayakawa column left Cheng-tu (Jehol), on the 13th and operated against Lowenkan on the 17th.'

No. 436

Sir O. Russell¹ (The Hague) to Sir J. Simon (Received March 17)

No. 98 [F 1824/1539/23]

THE HAGUE, March 9, 1933

Sir,

Monsieur Hiroshi Saito, the new Japanese Minister, who presented his letters to the Queen of the Netherlands on the 7th instant called on me today.

2. Although Monsieur Saito is well-known in London and Geneva² and needs no introduction I had not previously made his acquaintance. He speaks English to perfection and generally creates an agreeable impression.

3. He began by saying that your attitude of fairness throughout these last months at Geneva had been much appreciated in Japan and that the recent embargo on the export of arms had not been misunderstood. As other countries had not followed suit, he did not anticipate that it would be maintained. In any case the bulk of the fighting was over and in due course, when Japan had restored order, her action would be better appreciated than it has been hitherto.

4. As regards the relations between Japan and the Netherlands he did not anticipate that a pact of non-aggression, which has been discussed in the Press and elsewhere in connection with Mr. Matsuoka's visit to The Hague,³ would be concluded nor did he consider it necessary; but he hoped on the other hand to negotiate a General Arbitration Treaty. This was no easy task as his Government wanted a treaty on the old model under which the parties concerned conferred together—at any rate in the first instance—whereas the Netherlands Government preferred the newer model under which all disputes are referred directly to the Permanent Court of International Justice.

5. Shortly after his arrival in this country and before he had even presented his Letters, Monsieur Saito gave an interview to a representative of the Netherlands Correspondence Bureau which was published in the Dutch Press on the 6th instant. In this interview he defended the policy of his Government on the Manchurian question using the arguments which have

¹ H.M. Minister at The Hague.

² Mr. Saito had been Counsellor in the Japanese Embassy in London, 1931-2, and a member of the Japanese delegation to the Special Session of the League of Nations, 1932-3.

³ Mr. Matsuoka visited The Hague, March 6-8; see *The Times*, March 9, p. 12.

been so often repeated by the Japanese delegates at Geneva. After a brief reference to the proposed pact of non-aggression the conversation then turned to Japanese relations with the Dutch East Indies and the Minister was asked whether, in the event of a conflict breaking out in the Pacific, Japan might not be compelled to seize the oil supplies in North East Borneo for her fleet. To this he replied with an emphatic negative contrasting the present chaotic situation in China with that in the Dutch East Indies and protesting that the Dutch people would always receive the friendliest treatment at the hands of his country.

6. I should add that in journalistic and Government circles the Netherlands Correspondence Bureau has been severely condemned for its lack of discretion in forcing a denial on this delicate question from the newly arrived Minister.

I have, &c.,
ODO RUSSELL

No. 437

Letter from Sir F. Lindley (Tokyo) to Sir R. Vansittart¹

[F 2560/2560/23]

Private and Confidential

BRITISH EMBASSY, TOKYO, March 9, 1933

My dear Van,

You have no conception of the fuss made by the Japanese over Bernard Shaw.² I am sending an official despatch³ about this, as it is rather amusing; but in this letter I want to tell you what Admiral Saito, our Prime Minister, told Shaw in a very private conversation he had with him yesterday. Shaw told Sansom⁴ in the strictest confidence.

In discussing the Manchurian business, Saito admitted to Shaw that the recognition of Manchukuo by Japan had been a first-class blunder but that he came into office too late to stop it. This bears out what we have always believed in this Embassy, namely, that the recognition was the price paid by the Government for internal peace. If they had not fallen in with the wishes of the Army, they would have been turned out by force. I thought this confirmation of our belief, that the civilian and experienced elements in Japan were against the Manchukuo policy, might be of interest to you.

Yrs ever
F. O. L.

¹ No date of receipt or of filing in the Foreign Office is recorded.

² Mr. George Bernard Shaw, Irish author and playwright, had visited Tokyo from March 7-9 during a round-the-world cruise.

³ Tokyo despatch No. 167 of March 20, received April 19, is not printed.

⁴ i.e. Mr. G. B. Sansom, Commercial Counsellor in H.M. Embassy, Tokyo.

No. 438

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 10, 2 p.m.)

No. 71 Telegraphic [F 1669/18/10]

TOKYO, March 10, 1933, 8.30 p.m.

...¹

General Staff has been closed all day on account of holiday but it is clear that Japanese have met with check at Kupeikou which will make the army consider invasion of North China.

Repeated to Peking for Commander-in-Chief.

¹ The text is here uncertain.

No. 439

Sir M. Lampson (Peking) to Sir J. Simon (Received March 10, 6.30 p.m.)

No. 210 Telegraphic: by wireless [F 1685/18/10]

Most confidential

PEKING, March 10, 1933

Chang Hsueh-liang informs me in strict confidence that he has resigned. He saw Chiang Kai-shek and the Minister of Finance at Paotingfu and put the following alternatives to them; (a) that he should lead his own troops into the field, or (b) resign.

2. He was advised to do the latter and leaves I believe tomorrow by air for Shanghai.¹

3. General Ho Ying-chin² (a good and close personal friend of mine) takes over the command here.

4. From United States Minister I learn that very severe fighting is in progress at Kupeikow and the Rockefeller hospital has been warned to stand by to receive roughly 100 wounded tonight. Another 2,000 wounded are at Kupeikou and are expected down tomorrow.

Repeated to Commander-in-Chief, General Officer Commanding, Tientsin for Brigadier, Tokyo, Shanghai and Mission.

¹ Peking telegram No. 215 of March 11 reported that Marshal Chang Hsueh-liang had been unable to leave as intended but had agreed to start on the morning of March 12.

² Minister of War in the Nanking Government.

No. 440

Sir M. Lampson (Peking) to Sir J. Simon (Received March 10, 4.40 p.m.)

No. 211 Telegraphic: by wireless [F 1686/18/10]

Immediate

PEKING, March 10, 1933

Reuters message from Tokyo of March 10th states Japanese Legation at Peking has been instructed to attempt to negotiate for withdrawal of Chinese troops now concentrating round Kupeikou failing which Japanese may be compelled to send troops through Shanhaikuan to take the pass from the

rear. Failing Japanese Legation being able to persuade Chinese to withdraw 'it is authoritatively intimated that Japanese may approach Sir M. Lampson to use his good offices for purpose of obviating necessity to extend operations into North China'.

2. Reuters having enquired of secretary in charge of Japanese Legation here as to truth of above latter stated that he had received no instructions of above nature from Tokyo. To prevent similar enquiries here I am telling Reuters to state that on enquiry here nothing whatever was known at His Majesty's Legation of anything of the sort. Presumably we should on no account wish in any shape or form to be used as channel of Japanese ultimatum nor in the alternative serve as scapegoat for Chinese orders for withdrawal.

Repeated to Tokyo, Mission, General Officer Commanding, Commander-in-Chief and Tientsin Brigadier.

No. 441

Lord Tyrrell (Paris) to Sir R. Lindsay (Washington)

No. 1¹ Telegraphic [F 1688/923/61]

PARIS, March 10, 1933

Copied to Foreign Office.

Following from Secretary of State.²

Your telegram No. 156.³ Paragraph 2. (Far East Arms Embargo.)

I am sure that you will bear constantly in mind the undesirability of furnishing Mr. Norman Davis or the American Government with the means of excusing their own inaction by alleging our unwillingness to co-operate. I do not quite appreciate what authority Mr. Norman Davis has to deal with a question addressed to the Secretary of State, but in any case the answer to Mr. Norman Davis' observation would appear to be that the former Secretary of State spoke as reported in your telegram No. 135⁴ (of February 24th). This makes international agreement impossible at any rate at present.

¹ Repeated unnumbered to the Foreign Office where it was received on March 11.

² Sir J. Simon and Mr. Ramsay MacDonald had arrived in Paris the previous evening on their way to Geneva for meetings of the Disarmament Conference.

³ No. 429.

⁴ No. 367.

No. 442

Letter from Sir R. Vansittart to Sir J. Simon (Geneva)

[F 1584/33/10]

FOREIGN OFFICE, March 10, 1933

My dear Secretary of State,

Telegram No. 169 from Geneva to the Foreign Office¹ shows that there is a risk of some smaller Powers putting forward a proposal for the withdrawal

¹ No. 427.

of ambassadors and ministers from Tokyo, leaving only Chargés d'Affaires to transact business.

I suggest that it is eminently desirable to resist any such proposal, which seems to me very ill-judged. The step suggested would certainly exasperate the Japanese, and it would be ineffective as a reinforcement of the Assembly's report, which should, I feel, be left to speak for itself. Apart from that, it would not be conducive to the interests of peace and understanding to weaken our means of exercising influence or of gauging the state of feeling in Japan, and the weakening would be all the greater if the Japanese were to retort by withdrawing their own heads of missions, as they probably would do.

Yours ever

R. VANSITTART

No. 443

Sir M. Lampson (Peking) to Sir J. Simon (Received April 20)

No. 311 [F 2574/33/10]

PEKING, *March 10, 1933*

His Majesty's Minister, Peking, presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and transmits herewith three copies of the undermentioned paper.

Name and Date

Letter from Dr. Lo Wen-kan of
3rd March 1933.

Subject

Sino-Japanese dispute. British
press criticisms of China.

ENCLOSURE IN No. 443

Strictly Personal MINISTRY OF FOREIGN AFFAIRS, NANKING, *March 3, 1933*
Dear Sir Miles,

I must thank you for your very reassuring letter of February 25th.¹ You must have noticed that I was not so much concerned with the official or unofficial background of the utterances of any particular organ of the British press as with the effect which they might have produced on the Chinese press which, perhaps you remember, gave you some uneasiness not very long ago. You realise, of course, that the popular mind is not inclined to discriminate between what is official and what is not, and that it is prone to immediate reaction, especially when it has no means to ascertain the particular trend or politics of the individual organs quoted. I agree, therefore, with you that it appeared to be somewhat unwise for Reuters to broadcast here in China the messages mentioned in my previous letter, though from the standpoint of news service I can have no reason for dissatisfaction.

Yours sincerely,

LO WEN KAN

Hope you are coming down here soon.

¹ Enclosure 2 in No. 383.

No. 444

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 11, 9.30 a.m.)
No. 73 Telegraphic [F 1693/18/10]

TOKYO, March 11, 1933, 1.30 p.m.

My immediately preceding telegram.¹

Vice Minister for Foreign Affairs added that intention of telegram mentioned in Sir M. Lampson's telegram No. 211² was to frighten Chinese and that this object had been attained.

My personal view is that if Chang Hsueh-liang leaves Peking Japanese will not move. Ever since 1931 they have wanted to get rid of him.

Repeated to Peking, Commander-in-Chief.

¹ No. 445 below. These telegrams were despatched in reverse order.

² No. 440.

No. 445

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 11, 9.30 a.m.)
No. 72 Telegraphic [F 1692/18/10]

TOKYO, March 11, 1933, 1.35 p.m.

My immediately preceding telegram.¹

Military Attaché informed General Staff this morning that we were most anxious about position revealed in Reuter's telegram.² General Staff replied that Japanese Army could not remain inactive if heavy concentrations of Chinese troops continued close to the border of Jehol. After interview General Staff telephoned saying Kupeikou and all passes through the Great Wall were in the hands of the Japanese.

I saw Vice Minister for Foreign Affairs after Military Attaché returned and reminded him of conversation reported in my telegram No. 50.³ I said it was madness, now that Jehol was cleared of Chinese to begin a fresh adventure. I had told my Government that Japanese were genuinely anxious to avoid advance into North China and would not seek some excuse to undertake it. Fear of Chinese concentration seemed to me nothing but an excuse and it was impossible to foresee what further advance might not take place later. I said that suggestion that Sir M. Lampson should intervene was preposterous. Vice Minister for Foreign Affairs agreed with last proposition and said it had never been intended to approach him. He added that position was much improved by fall of Kupeikou etc., and that there was no intention to find an excuse for entering North China. Japanese Government were as alive as we to necessity of not extending trouble now that object of campaign had been attained. His last news from Peking made him confident that there would be no trouble.

Repeated to Peking for Commander-in-Chief.

¹ No. 438.

² See No. 440.

³ No. 355.

No. 446

*Sir M. Lampson (Peking) to Sir J. Simon (Received March 11, 4.20 p.m.)
No. 216 Telegraphic: by wireless [F 1701/18/10]*

PEKING, March 11, 1933

My telegram No. 211.¹

Vice Minister for Foreign Affairs having enquired regarding Reuter's report, I have informed him categorically that there was no truth in it.

Repeated to Tokyo and Mission.

¹ No. 440.

No. 447

*Sir M. Lampson (Peking) to Sir J. Simon (Received March 13, 6 p.m.)¹
No. 213 Telegraphic: by wireless [F 1726/923/61]*

PEKING, March 11, 1933

Following received from Canton.

Addressed to Peking No. 13 March 9th, repeated to Mission.

Foreign Office telegram No. 112 to Peking.²

I am informed by local agent of Jardine Matheson and Company that yesterday morning a form of contract was sent up by his Hongkong office for signature by Chinese authorities. Final clause of this contract stipulated that conditions contained therein were 'subject to confirmation by seller within one month' but when this was shown to the Marshal's Chief of Staff, General Tao, latter stated he was not prepared to sign such a contract as he wanted promise of definite fulfilment or would have to buy elsewhere.

2. Marshal Chen is absent from Canton at present but I called on Chairman this morning and took the opportunity of mentioning this case. The Chairman said he hoped the Company would send a representative to Canton without delay to discuss the matter to which I replied according to my information representative of Messrs. Vickers was arriving in Hongkong today and I imagined he would lose no time in coming to Canton. The Chairman referred to embargo and I said that while I could guarantee nothing my private...³ was that embargo might be lifted shortly and I hoped therefore that he would keep the matter open for a few days to which the Chairman agreed.

3. I have informed local agent of Jardine Matheson and Company in the above sense and asked him to urge advisability of Messrs. Vickers representative proceeding to Canton without delay.⁴

¹ A note on the filed copy reads: 'This telegram was undecypherable and a repetition had to be asked for, hence delay of two days.'

² No. 423.

³ The text is here uncertain.

⁴ Canton telegram No. 14 of March 17 to Peking (repeated to Foreign Office in Peking telegram No. 240 of March 20) reported: 'Contract for purchase of material referred to in Canton telegram No. 10 [No. 416] including also 12,000 rounds of ammunition was signed today. Contracting parties are Jardine Engineering Corporation Limited, and Provincial government of Kwantung [sic] Province.'

Sir M. Lampson (Peking) to Sir J. Simon (Received April 22)

No. 338 [F 2625/18/10]

PEKING, March 11, 1933

Sir,

I have the honour to submit the following report on recent developments in the Sino-Japanese conflict, with special reference to events in connection with Jehol. The details of the military operations are being separately reported by the Military Attaché¹ and I will therefore confine myself in this despatch to a general account of the circumstances and events leading up to and attending the recent Japanese invasion of that province.

2. Jehol Province lies north east of Peking beyond the Great Wall, being bounded on the south by Chihli, on the west by Chahar, on the north by Inner Mongolia, and on the east by Manchuria. It embraces a region of rugged mountains which all along the Mongolian border constitute the escarpment of the Mongolian plateau and intervene between the plateau and the plains of China. The North eastern parts of the province are more Mongolian in character and include sandy down-lands, while the central and South Eastern region round Ch'engteh, the administrative centre, is very mountainous and typical of the North China hill country. As regards the historical background, the township of Ch'engteh (Jehol) served as a summer capital for the Manchu Emperors, and under the Empire the greater part of what is now the Province of Jehol comprised two Prefectures, Ch'engteh Fu and Ch'aoyang Fu, of the Province of Chihli. There may have been certain special arrangements in connection with the administration of these two Prefectures, but there is no doubt that they formed part of the Province of Chihli. This is clearly shown in authoritative Chinese maps of the reign of Kuang Hsu.² Similarly the Province of Shansi extended North to include extramural regions such as Suiyuan (Kueihuacheng) and thus marched with Inner Mongolia. After the establishment of the Republic, three new 'Special Administrative Areas', Suiyuan, Chahar, and Jehol were carved out of the Northern parts of Shansi and Chihli Provinces and adjacent parts of Inner Mongolia. These Special Administrative Areas were later on, after the establishment of the National Government at Nanking, converted into provinces, and the province of Jehol thus came into existence in 1928. In the meanwhile when, after the revolution, Chang Tso-lin became the *de facto* ruler of Manchuria, he was able to extend the sphere of his territorial authority to include Jehol. For a time, in 1925, Marshal Chang had to surrender Jehol to Feng Yu-hsiang, but a year later, after Marshal Feng's overthrow, Jehol reverted once more to the control of Chang Tso-lin and remained in his hands until his death in 1928. During the greater part of the *régime* of Chang Tso-lin Jehol was, therefore, attached to Manchuria and ruled from Mukden. In 1926 Chang Tso-lin appointed one of his generals,

¹ See No. 493 below.

² 1875-1908.

T'ang Yu-lin, to be Governor of Jehol. General T'ang was one of the old fashioned and less reputable type of military official, and under his rule the administration of Jehol was notorious for military misgovernment, enforced opium cultivation and other abuses. Nevertheless he remained in control of the province, becoming Chairman of the Provincial Government under the National Government, because of his family association with Chang Hsueh-liang and the lack of effective control exercised by Nanking in the North. Finally, when the independence of Manchoukuo was proclaimed last year, the declaration included, as well as the Three Eastern Provinces, the additional province of Jehol, together with parts of Inner Mongolia.³ The justification for the inclusion of Jehol in the new Manchurian State was thus to be found in its association with the administration of the Three Eastern Provinces during recent years.

3. There is little doubt that the Japanese General Staff intended from the outset to include Jehol province in the buffer State of Manchuria, of which it constitutes, strategically, an essential flank, whether defensive *vis-à-vis* Russia, or offensive as regards the domination of North China. From the time, therefore, when Japan showed her hand by the establishment, and later the recognition, of independant [*sic*] Manchoukuo, it merely became a question of time and method as to when and how she would take steps to incorporate Jehol province in the new State. For some time the Japanese sought to secure their aims by diplomatic intrigue, and it is possible that, had there been no external considerations, they might have met with some measure of success in attaching Jehol to Manchoukuo by peaceful means. But the degree of public attention both in China and abroad, which became focussed on Jehol through the world wide publicity given to the question by the proceedings of the League of Nations, and the intensity of feeling thus worked up throughout China, defeated these intrigues and rendered the defence of Jehol the touchstone of Chinese patriotism.

4. The curtain went up on the drama of Jehol at Shanhaikuan on New Year's Day 1933, when the Japanese came into conflict with the Chinese garrison and after some sharp fighting occupied the walled city and railway station.⁴ As in the case of the other incidents which have punctuated various phases of the Sino-Japanese conflict, it was impossible to unravel from the conflicting reports of both sides how the fighting had started or who had been the aggressor. Looking back, however, on the events of the past weeks, it seems likely that the affair was deliberately planned by the Japanese General Staff as the first step in the Jehol campaign. During the latter part of 1932 the situation had become increasingly tense, and towards the end of the year it was known that the Chinese, disregarding Japanese warnings, were sending reinforcements of regular troops into Jehol province. The Japanese General Staff had no doubt by this time come to the conclusion that their ends could only be secured by military action. They had planned the invasion of Jehol for the early spring before the thaw, but in the meantime they had to secure their left flank by the occupation of Shanhaikuan. This was a delicate

³ Cf. Volume X, No. 66, note 3.

⁴ Cf. Nos. 167 and 168.

operation, since the Japanese Government had no wish to become involved in general hostilities in North China, which would have been difficult to avoid had they undertaken the occupation of Shanhaikuan simultaneously with the invasion of Jehol. It is therefore probable that the Japanese military authorities found a pretext for seizing Shanhaikuan some weeks before launching their attack on Jehol so as to allow time for public excitement to die down in the interval. The manufacture of an incident at Shanhaikuan was an easy matter in view of the anomalous position resulting from the presence of Japanese troops on the railway inside the Wall under the Protocol of 1901, and the presence of both Chinese and Manchoukuo police at the Station itself.

5. The situation at the time of my return from leave to China in the middle of January was that the Japanese were in effective possession of Shanhaikuan and the neighbouring pass of Chiumenk'ou, a gate in the Great Wall 8 miles further North, while the Chinese troops had established defensive positions along a small river, the Shih Ho, between Shanhaikuan and Chinwangtao. Hostilities had ceased, but a state of extreme tension prevailed and the Japanese invasion of Jehol was generally regarded as imminent. On my arrival in Shanghai I had the opportunity on January 27th of discussing the situation with my Japanese colleague.⁵ Mr. Ariyoshi assured me that the occupation of Shanhaikuan was only a temporary measure in connection with the liquidation of the Jehol situation, since it was no part of Japanese policy to get drawn into hostilities with the Chinese inside the Wall; as regards Jehol, however, he intimated that while the Japanese Government hoped to settle the matter by diplomatic means, they regarded the Province as part of Manchoukuo and were determined to secure its incorporation in the new State. When I arrived in Nanking early in February the Japanese Consul gave me similar information,⁶ adding that his Government were still aiming at a peaceful solution of the Jehol question, and that in any case military action would not be taken for another month.

6. The Japanese diplomatic representatives in China thus appeared at this time still to hope that the subterranean negotiations over Jehol might be successful and the use of force avoided, but there is little doubt that active military preparations for the campaign were by this time in progress. I have also little doubt that the Japanese Government genuinely desired to avoid getting involved in hostilities inside the Wall, provided their military authorities could eject the Chinese forces from Jehol without doing so. But there was the obvious danger, if the Chinese put up a sufficiently stout resistance in the difficult mountain country of Jehol, that the Japanese General Staff would be tempted to take them in the flank and rear by occupying the Peking and Tientsin area.

7. On the Chinese side an increasingly bellicose spirit prevailed, and at Nanking the Minister for Foreign Affairs and the other members of the Government were full of China's determination to resist to the last. Telegrams to the same effect poured in daily from all parts of the country, and the

⁵ See No. 254.

⁶ See No. 278.

Cantonese in the South and the various generals in the North were loud in their protestations of national unity and in their offers of military support against the Japanese invaders. There was, however, one curious feature in the situation, namely, that the Generalissimo of the National Forces, Chiang Kai-shek, chose this moment to proceed to Kiangsi to direct the operations of the Government troops against the communists, in apparent disregard of the crisis in the North.

8. I reached Peking on February 9th and two days later the Minister of Finance arrived in the North by air. Dr. Soong informed me⁷ that the object of his visit was to strengthen the hands of Marshal Chang Hsueh-liang both morally and financially. He also told me that the Japanese attack on Jehol was expected to take place early in March, by way of Kailu in the North and from the direction of Chinchow further South, and that the Chinese troops would be instructed to resist. A few days later Dr. Soong, accompanied by Marshal Chang, paid a short visit to Jehol to inspect the Chinese defence preparations in person. By this time there were, it was believed, nearly 200,000 Chinese troops in the field, belonging to the commands of Marshal Chang Hsueh-liang, and Generals Sung Che-yuan, Sun T'ien-ying, and T'ang Yu-lin. The main Chinese defence lines were reported to have been established from Ch'ihfeng south-east through Chienp'ing to Lingyuan, thus covering P'ingchuan and Ch'engteh (Jehol city). The northern sectors of these lines were held by the troops of Tang Yu-lin, supported by those of Sun T'ien-ying as a reserve army, while Marshal Chang's own troops occupied positions further South. This large army was, however, made up of miscellaneous, ill-organised and ill-equipped units, and was completely lacking in up-to-date war machinery and staff organisation. Nevertheless, if they were prepared to fight, the mountainous country was admirably adapted for defensive warfare, and the Chinese authorities professed the fullest confidence that their troops would be able to hold up the Japanese advance once the latter reached the prepared Chinese positions in the mountains. These reports that the Chinese were likely to put up a stout resistance and that they were unusually sure of themselves were confirmed by foreign observers, including the American Military Attaché, who visited Jehol just before the outbreak of hostilities.

9. On February 23rd the Japanese Consul at Nanking handed to the Minister for Foreign Affairs a memorandum which was in effect an ultimatum and declaration of war combined.⁸ This communication stated that the presence in Jehol of the Chinese troops of Chang Hsueh-liang and other commanders was incompatible with the sovereignty of Manchoukuo over that Province and constituted a menace to peace and order therein. The Manchoukuo army was about to proceed with the extermination of bandits in Jehol, and the Japanese army was under the obligation, in accordance with the terms of the Changchun Protocol,⁹ to render any necessary assistance. The requests already made by the Manchoukuo Government for the

⁷ See No. 324.

⁸ See No. 368, note 2.

⁹ Of September 15, 1932; cf. Volume X, No. 686.

withdrawal of Chang Hsueh-liang's troops within the Wall had not been complied with, and should the campaign in Jehol lead to armed conflict between the Japanese army, co-operating with the Manchoukuo army, and the troops of Chang Hsueh-liang, the responsibility for such a clash would rest entirely on the shoulders of the Chinese Government. The purpose of the operations of the Japanese and Manchoukuo forces was solely concerned with the maintenance of peace and order in Jehol and the operations would in principle be confined to Manchoukuo territory; but, if Chang Hsueh-liang's troops persisted in taking 'positive action' it would be difficult to guarantee that the fighting would not spread to North China, in which case full responsibility must again rest with China. Finally, if T'ang Yu-lin and other Chinese leaders in Jehol would surrender to the Manchoukuo Government, the latter were prepared to treat them in a generous spirit.

10. The Chinese reply¹⁰ to this remarkable communication was despatched on the following day. Reference was made to the Japanese military occupation of Manchuria and the establishment therein of a puppet régime. Japan was now about to attack Jehol, which was also an integral part of China's territory. The Chinese Government in despatching troops to Jehol for defence against external aggression was exercising its inherent sovereign right, and the Japanese Government must therefore be entirely responsible for the consequences of any invasion of Jehol. As was known to the whole world, the puppet régime in Manchuria was a Japanese creation pure and simple, for the illegal activities of which Japan should likewise bear the entire responsibility. The Chinese Government had repeatedly protested against and could never recognise this puppet régime and the so-called Japan-Manchoukuo Protocol. The fact that Japan was not only bent upon attacking Jehol, but also declared that her military operations might be extended to North China was sufficient to prove that her policy of aggression remained unchanged. Chinese troops in resisting Japanese troops or any other forces under Japanese direction or command in defence of Chinese territory would be acting within their rights, and if the Japanese military operations should spread to North China the Chinese forces would naturally defend Chinese territory and full responsibility for any situation which might arise should be borne by Japan. General T'ang Yu-lin, Chairman of Jehol Province, was a high military authority of the Chinese Government entrusted with the duty of defending that province, and the statements made by the Japanese Government concerning General T'ang must therefore be regarded as a deliberate affront, against which the Chinese Government lodged its protest.

11. In the meanwhile preliminary skirmishes, involved by the Japanese forces getting into position, occurred about February 20th. The Japanese plan of campaign comprised, as was expected, two main converging lines of advance, in the North from Kailu towards Ch'ihfeng, and in the South from Chinchow up towards Peipiao, Chaoyang and Lingyuan. Peipiao, the coal-mining centre at the end of the branch railway from the Peking-Mukden

¹⁰ See No. 379.

Railway, was occupied on February 21st, and Kailu a day or two later, both with little opposition. From now on the Japanese advance continued rapidly on both fronts, free use being made of aeroplanes to bomb and disperse concentrations of Chinese troops. By the end of February it was apparent that the Chinese defence had broken down and that the Chinese troops were everywhere in full retreat. According to such reports as have so far been received the Chinese collapse started in the Northern parts of the Chinese line, where units amongst the troops of Sun T'ien-ying and T'ang Yu-lin either went over or refused to fight. A somewhat more determined resistance was put up by Marshal Chiang Hsueh-liang's brigades in their positions further South covering Lingyuan. On March 2nd the Japanese captured Ch'ihfeng, on the same day they occupied Lingyuan, and on March 4th a small detachment of Japanese troops entered Jehol city (Ch'engteh)¹¹ the remnants of the Chinese army fleeing North, West and South before the advance of Japanese forces of probably less than a quarter of their numerical strength. The original defence forces of Jehol, belonging to T'ang Yu-lin's command, seemed to have dissolved altogether and General T'ang himself is reported to be a fugitive, orders for his arrest and punishment having been issued by the Central Government.

12. It seemed at first, after the Japanese entry into Jehol, that the *débâcle* was complete and that there was nothing left of the defeated Chinese Army. During the next few days, however, the news arrived that a new Chinese line had been established just outside the Wall covering Kupeik'ou, that these Chinese troops were putting up a stout resistance, and that the Japanese were unable to dislodge them from their strong positions in the mountains round the pass.¹² Meanwhile there are indications that Chiang Kai-shek is moving up re-inforcements to the support of Chang Hsueh-liang's North Eastern army, on whom the brunt of the defence of Jehol has hitherto fallen. Two divisions from Honan have arrived in the neighbourhood of Peking and are reported to be deploying in the direction of Kupeik'ou. At the time of writing, therefore, the situation has again changed and the story of the invasion and defence of Jehol may be entering on a new phase. Heavy fighting is proceeding round Kupeik'ou, within a few hours motor drive of Peking, and the Japanese are again talking of the necessity of taking the Chinese forces in the rear by an advance from Shanhaikuan through North China. The following curious Reuter message from Tokyo reached Peking yesterday:¹³

'The Japanese Legation in Peiping has been instructed to attempt to negotiate the withdrawal of the Chinese troops now concentrated round Kupeik'ou, otherwise the Japanese may be compelled to send troops through Shanhaikuan for the purpose of taking the pass from the rear. Failing the Japanese Legation's ability to persuade the Chinese to withdraw, it is authoritatively intimated that the Japanese may approach Sir Miles Lampson, the British Minister, to use his good offices for the purpose of obviating the necessity to extend operations into North China.'

¹¹ Cf. No. 419.

¹² Cf. No. 435, note 2.

¹³ Cf. No. 440.

13. It remains to record the resignation of Chang Hsueh-liang,¹⁴ which has once more thrown the political future of North China into the melting pot. This aspect of recent developments will be dealt with more fully in a separate despatch¹⁵ on the Chinese internal political situation, but it is necessary to cover some of the ground in this report also. It was from the outset a question whether Chang Hsueh-liang would be able to survive the blow which his reputation and prestige had suffered by the events which culminated in the collapse of the Chinese defence of Jehol. Moreover, not only had the Japanese military authorities throughout shown their determination to secure the elimination of Chang Hsueh-liang, but the Young Marshal had also been subjected to constant criticism and attacks from the Cantonese and the Southern elements in the National Government. With all his faults, and they were those of his type and age, Chang Hsueh-liang had proved himself a loyal supporter of Chiang Kai-shek and the Central Government, and had carried out what he believed to be the national policy in resisting the aggression of the Japanese. But his position had for long past been an impossible one. After his expulsion from Manchuria in 1931, he had been left by the National Government to rule and defend North China with only his own resources to draw upon for the support of his army. When, in response to the wave of national emotion which swept through the country, he was called upon to defend Jehol against the Japanese invasion, he was left to do the best he could with his own North Eastern army assisted by the disorganised and badly equipped soldiery of individual generals such as T'ang Yu-lin and Sun T'ien-ying, whose troops would not even have rendered a good account of themselves in Chinese civil warfare. With these forces he was called upon to resist the highly efficient war machine of the Japanese, supported by strong squadrons of bombing aeroplanes, against which the Chinese troops were completely defenceless. Moreover the inhabitants of Jehol had suffered for years under the misrule of T'ang Yu-lin and there were no doubt elements amongst them to whom a change of masters was on that account not unwelcome. In these circumstances the collapse of the Chinese defence of Jehol and the resignation of the Young Marshal were hardly matters of surprise. Meanwhile Chiang Kai-shek has at last been giving personal attention to affairs in the North, and arrived recently in his armoured train at Pao-tingfu on the Peking-Hankow railway. After meetings between General Chiang and the Young Marshal and other Northern leaders, it was yesterday announced that the resignation of Chang Hsueh-liang had been accepted and that the direction of affairs in North China had been temporarily entrusted to General Ho Ying-chin, the Minister of War. It is therefore possible that the National Government will now seek by making new arrangements to bring North China under more effective control and thus also assume the responsibility of its defence against the Japanese.

14. It is distressing to recall the results which have so far flowed from the intervention of the League of Nations in the Manchurian affair. In 1931

¹⁴ See No. 439.

¹⁵ See No. 497 below.

the only material result of the well-meant efforts of the League was to enable the Japanese to conquer Manchuria with a minimum of fighting, since the Chinese forces were for the greater part voluntarily withdrawn in accordance with the Geneva resolutions that both sides should avoid any aggravation of the situation. In 1933, on the other hand, it was the support given by the League to the Chinese case which encouraged the Chinese to resist in Jehol and led to the futile hostilities which ensued. We thus find the paradox that the activities of the League led in the one case to loss of territory and in the other to armed resistance and certain defeat, the victim being in both instances subsequently left to his own devices. The conclusions to be drawn from these events are, it seems, that the Nations of the Far East have not yet reached the stage of moral development when they can usefully and whole-heartedly do their duty as members of the League of Nations, and also that we and the Nations of Europe, in the reaction after the Great War, have put our hands and seals under the Covenant to obligations which we are not in a position to carry out. There are obvious dangers in such a situation. But these are big questions beyond my province, on which I do not propose to offer further speculations.¹⁶

I have, &c.,

MILES W. LAMPSON

¹⁶ Mr. Orde minuted on the file: 'Para. 14 is quite unconvincing. It is based on a number of assumptions which are unsound, though glibly made by the Chinese, no doubt. C. W. O. 28/4.'

No. 449

Mr. Patteson (Geneva) to Sir R. Vansittart (Received March 12, 2.45 p.m.)
No. 178 L.N. Telegraphic [F 1698/923/61]

GENEVA, March 12, 1933, 2.15 p.m.

Following for the Lord President of the Council¹ from Secretary of State.
 Embargo of arms to the Far East.

1. Enquiries here have made it entirely plain that no international agreement embracing both members and non-members of the League is realisable at any rate for some time to come. Legislation would be required in more than one arms producing country before any such embargo could be put into effect. Prime Minister and I consider that in these regrettable circumstances announcement given on February 27th² should be withdrawn. It was adopted provisionally and pending an opportunity for international consultation and has always been recognised to be ineffective, standing alone. United Kingdom will continue to co-operate in any international discussion.

2. *Confidential.* Belgian representative told me yesterday that Belgium could not stop exports without legislation, see also Brussels telegrams Nos. 1

¹ Mr. Stanley Baldwin, Lord President of the Council and Lord Privy Seal.

² See No. 384, note 2.

and 2³ of February 24th and March 1st. United States representative here has confirmed the view that his country cannot act without legislation and none appears to be in immediate prospect. Manifestly it is more difficult to get effective international agreement when the temptation of securing orders at our expense continues strong. I hope the statement in Parliament can be made without throwing the blame specifically on the United States especially as unwillingness to co-operate promptly extends to others also.⁴

³ Nos. 369 and 394.

⁴ Sir J. Simon was informed in Foreign Office telegram No. 168 of 4.45 p.m. on the same day that the Cabinet had been summoned for the following day, the 13th, 'to take appropriate action'.

No. 450

Sir M. Lampson (Peking) to Sir J. Simon (Received March 12, 4 p.m.)
No. 218 Telegraphic: by wireless [F 1702/18/10]

PEKING, March 12, 1933

Military Attaché reports, begins:—

Ho Ying-chin has assumed command of north eastern armies following resignation of Chang Hsueh-liang whose staff however continue to function as usual.

25th Division now beyond Miyunhsien on the way to Kupeikow. Second division completing detrainment at Tungchow and following them. Two other southern divisions 33rd and 47th are being railed north according to information furnished by Chinese staff here.

Repeated to Commander-in-Chief, General Officer Commanding, Tientsin and Mission.

No. 451

*Commander (Tientsin Area) to General Officer Commanding (Hong Kong)*¹
No. 1/5637 Telegraphic [F 1736/18/10]

TIENTSIN, March 12, 1933

British officer visited Chinwangtao and Shanhaikuan on 10th March and 11th March and gives following information. Situation at Chinwangtao is calm and neither Kailan Mining Administration authorities nor Chinese population seem at all apprehensive of Japanese advance. Japanese naval commander stated Japanese ships were off Chinwangtao merely for protection of Japanese nationals and had no aggressive intention. British officer interviewed General Ho Chu Kuo at his H.Q. at Haiyang 5 miles north west of Chinwangtao. General Ho was reticent but stated he was not apprehensive of trouble in his area in near future. There are five Chinese lines of defence between Shanhaikuan and Peittaiho. Those seen were not occupied

¹ Copy received in the Foreign Office on March 14.

by Chinese troops who are billeted on country side. About 3 miles of railway line including sleepers between Chinwangtao and Shanhaikuan have been torn up. Japanese commander at Shanhaikuan was secretive but impression given was that Japanese garrison in city and Japanese fort is not much stronger than in normal times. British trolley line, fort and camp at Shanhaikuan are in same state they were left in September 1932 and all is quiet in that vicinity.

No. 452

Sir R. Vansittart to Sir F. Lindley (Tokyo)

No. 80 Telegraphic [F 1703/18/10]

FOREIGN OFFICE, *March 13, 1933, 3.55 p.m.*¹

Your telegrams Nos. 72 and 73² (of 11th March: Sino-Japanese situation). Japanese Foreign Office have evidently been making improper use of Sir M. Lampson's name in speaking to Press agents.

You should speak seriously to Minister for Foreign Affairs at once, pointing out that such references are likely to prejudice both Sir M. Lampson personally and His Majesty's Government in the United Kingdom by exposing them to suspicion and distrust.

Repeated to Geneva No. 170 and Peking No. 123.

¹ This telegram was sent in accordance with instructions received from Sir J. Simon at Geneva.

² Nos. 444 and 445.

No. 453

Sir F. Lindley (Tokyo) to Sir J. Simon

(Received March 13, 2.5 p.m.)

No. 76 Telegraphic [F 1720/583/23]

TOKYO, *March 13, 1933, 4.35 p.m.*

My telegram No. 60.¹

Japanese have for some time past anticipated that other countries would direct tariff measures against them. . . .² legitimately³ of recently raised duties chiefly against Japan.

Denunciation of Treaty⁴ by West African Colonies alone would not I think provoke undue resentment so long as it was clearly dissociated from action

¹ No. 401; but the reference should possibly have been to Tokyo telegram No. 65 of the same date, see No. 396, note 4.

² The text is here uncertain. In a minute of March 2 Mr. Mallet wrote: 'The Government of India, as a result of the Ottawa Conference [cf. No. 513 below, note 2], recently raised their tariff to the detriment of the Japanese cotton trade and thereby aroused considerable resentment in Japan.' Cf. 274 *H.C. Deb.* 5 s., col. 1426.

³ It was suggested on the filed copy that this word should read 'legitimacy'.

⁴ i.e. the Anglo-Japanese Treaty of Commerce and Navigation of 1911; see No. 396.

in the nature of sanctions and so long as atmosphere is not poisoned by such suggestions as that mentioned in my telegram No. 74.⁵ But a wide spread of deliberate policy of Colonial preference aimed at Japan might have undesirable results outlined in paragraph 8 of my despatch No. 136, 1932,⁶ especially since preference against Japan must be very marked.

I do not entirely exclude the possibility of some limited cartel arrangement between the United Kingdom and Japanese cotton interests and I think it should be tried even if prospects are poor. I suggest denunciation of West African Colonies might be used as an instrument to test reaction of Japanese and to induce them to discuss such an arrangement.

It is important for United Kingdom exporters to understand the true reasons for Japanese success in foreign trade so clearly stated in your letter of January 20th to President of the Board of Trade⁷ and I attach importance to avoidance of official accusations of unfair methods and dumping. Unofficial accusations cannot be controlled but might be denounced if occasion offered. I presume denunciation if decided on will take place in London and I should like authority to make full and friendly verbal explanations at Ministry of Foreign Affairs when the time comes.⁸

⁵ A note on the filed copy here read: 'i.e. that Ambassadors be withdrawn from Tokyo'. In his telegram No. 74 of March 15 Sir F. Lindley had referred to No. 427 and said: 'I cannot sufficiently deplore this proposal which will do nothing but harm. I trust it will not even be put forward since suggestion alone will certainly cause the greatest irritation, and may easily lead to further action of Japanese in China.'

⁶ This despatch of March 8, 1932 (received April 12) is not printed. The 'undesirable results outlined in paragraph 8' were 'the closing of the open door in Manchuria' and 'an intensified economic offensive in the markets of China proper'.

⁷ Not printed.

⁸ In a minute of March 20 Mr. Orde wrote as follows: 'I fear we can hardly resist the proposal now that the atmosphere has been cleared by the Japanese success in Jehol. But we have now a further reason to oppose steps such as withdrawal of Ambassadors from Tokyo or the imposition of sanctions in any other form such as an arms embargo. The latter question is before a sub-committee of the Advisory Committee of the Assembly, and it seems desirable to confine it if possible to an academic discussion with a view to future cases, as appeared indeed to be contemplated by the announcement made in Parliament on the raising of our own unilateral embargo [see No. 454 below].' Sir R. Vansittart added, in a minute of March 25: 'There is no longer any sufficient cause for us to delay action necessary to our own industry, and I think the S. of S. sh[oul]d so inform Mr. Runciman on his return. If we do not act now (that Jehol has been more or less "cleared up") there is no other assignable date at which we could better act. Sir F. Lindley only asked for a week or two delay at the outset [see No. 396, note 4].' In another minute of the same date on a paper relating to Indo-Japanese trade relations [F 1493/1203/23] Sir R. Vansittart wrote: 'I don't see how action as regards W. Africa can well be delayed much longer. And that will certainly affect the position as regards India.'

On May 16 notice of denunciation of the Anglo-Japanese Commercial Treaty of 1911 in respect of the West African colonies was sent to the Japanese Ambassador, the denunciation to take effect twelve months later, i.e. from May 16, 1934; cf. 278 *H.C. Deb.* 5 s., col. 193.

No. 454

Sir J. Simon to Sir F. Lindley (Tokyo) and Sir M. Lampson (Peking)
No. 81¹ Telegraphic [F 1727/923/61]

FOREIGN OFFICE, March 13, 1933, 7.5 p.m.

Foreign Office telegram to Geneva No. 148² (of 7th March. Repeated to Tokyo No. 73 and Peking No. 109. Arms Embargo.)

His Majesty's Government have decided to remove embargo as from today.

In announcing decision in Parliament Lord President of the Council spoke to the following effect:³

Embargo was, as stated at the time of imposition, provisional arrangement pending opportunity of international consultation and decision. After discussion with representatives of various other countries at Geneva Prime Minister and Secretary of State have reported that there seemed no prospect of international agreement on the subject in near future. In the circumstances embargo by this country alone could not serve any useful purpose. His Majesty's Government intended, as opportunity offered, to pursue conversations already begun with earnest desire to reach form of international agreement which alone could provide solution of problem bound to recur in future.

¹ No. 81 to Tokyo; No. 124 to Peking. An identical telegram was sent at 7.20 p.m. that day as No. 33 to Paris, No. 118 to Washington, No. 47 to Rome, No. 5 to Prague, No. 12 to Stockholm, and No. 10 to Brussels. The text of the parliamentary question and answer (see below) was also telephoned to Geneva by Mr. Ronald.

² See No. 421, note 3.

³ See 275 *H.C. Deb.* 5 s., col. 1592.

No. 455

Sir M. Lampson (Peking) to Sir J. Simon (Received May 12)
No. 328 [F 3167/18/10]

PEKING, March 13, 1933

His Majesty's Minister, Peking, presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and transmits herewith two copies of the undermentioned paper.

Name and Date

Subject

Minute by His Majesty's Minister
of 10/3/33.

Kailan Mining Administration—
Record of interview with Mr.
Nathan.

ENCLOSURE IN No. 455

PEKING, March 10, 1933

Mr Nathan called this morning, by appointment, to discuss K.M.A. affairs. Before he started on his subject I thought it well to let him know confidentially what I had said (1) to T. V. Soong and the Young Marshal

when they recently dined with me¹ about the advisability of protecting K.M.A. property in the case of trouble in the Chinwangtao area, and (2) the message which I had recently received indirectly from General Shang Chen² to the effect that he was devoting special attention to the avoidance of any incident in the Kailan area or damage to Kailan property.

Mr Nathan thanked me for this information, which he said was most useful; but what he had called about was not so much the danger of trouble from the Chinese side as complications with Japan! Doubtless I knew how delicate the situation was. The Japanese not only had a small military post inside the K.M.A. property at Chinwangtao but also a wireless station, and there was continual danger of some local incident which might lead to big trouble. Fortunately in the K.M.A. agent there, Mr Chilton, the company had an excellent man who was unlikely to get rushed. Still, the situation bristled with possibilities of trouble, and he (Mr Nathan) wanted to see me in order to find just how the Company should act in the event of trouble.

I said that I was afraid I really could not say in advance what should be done in the event of unforeseen circumstances occurring. As a general principle I was sure it was a mistake to try to lay down in advance what should or should not be done; that must entirely depend upon developments as they occurred. Up to date I thought the Company and their agents had handled the matter with great discretion and success, and I had every confidence that they would continue to do so. Mr Nathan said he was glad to hear what I had said, and that it largely tallied with what he himself felt. He was of course in constant touch with Mr Chiltern [? Chilton], down at Chinwangtao, and would continue to be so. They would do their best to keep clear of all possible trouble. But what he was rather afraid of evidently was that there might be some internal drive in China forcing the local Chinese troops to take action which might provoke an incident. I said that I could not speak on that, but I did know as a matter of fact—and it might have some bearing on this aspect—that the Chinese had recently been exercised as to how to withdraw their troops from the Chinwangtao area in case of need. That being so, it did not seem to tally altogether with any intention of creating an incident on that particular front; but of course one never knew.

In the course of general talk it emerged that Mr Nathan shares my view that it is quite on the cards that Japan may once more be casting envious eyes upon the Kailan property. He told me that until last September there had been a working agreement between his Company and the South Manchuria Railway, i.e. the Fushun Mines, but that had now come to an end and the Kailan were faced all over China with the dumping of Japanese coal. He evidently shared my suspicion that the Japanese may be casting envious eyes in the K.M.A. direction.

Incidentally, speaking of General Kao Chi-yi,³ Mr Nathan said that his

¹ No record of this conversation has been traced in Foreign Office archives.

² In command of Chinese troops in the Shanhaikuan-Luan river area.

³ Director-General of the Peking-Mukden railway.

recent experience of this gentleman had been distinctly favourable. He knew that the B[ritish] and C[hinese] Corporation had had great difficulty with him on many occasions over such things as railway debts, but so far as the K.M.A. were concerned they had every reason to be grateful to him. For example, until quite recently the K.M.A. had been losing as much as up to 500 tons of coal per day by local pilfering and theft. When the matter had been brought to the notice of General Kao he had provided the necessary guards on the coal trains, and the coal thieves had now been rounded up and lodged in the Peking Reformatory! As proof of General Kao's serious intent over this he might just tell me that recently one of these coal trains had reached Kailan with a corpse on board—that of one of the coal thieves who had proved obstreperous. . . .⁴

M. W. LAMPSON

⁴ A personal reference which concludes this record has been omitted.

No. 456

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 14, 9.30 a.m.)

No. 78 Telegraphic [F 1724/18/10]

TOKYO, March 14, 1933, 2.30 p.m.

Your telegram No. 80.¹

I spoke seriously this morning to Vice Minister for Foreign Affairs who expressed deep regret if Sir M. Lampson had been inconvenienced by declaration of press bureau at Minister [Ministry]² of Foreign Affairs and who promised to inform Ministry [Minister]² for Foreign Affairs of my representations as soon as he could see him.

Repeated to Peking.

¹ No. 452.

² Wording on another copy of this telegram.

No. 457

Sir M. Lampson (Peking) to Sir J. Simon (Received March 15, 9.30 a.m.)

No. 221 Telegraphic: by wireless [F 1787/18/10]

Confidential

PEKING, March 14, 1933

Minister for Foreign Affairs arrived suddenly in Peking on the evening of March 13th and summoned United States [Minister], French Minister and myself late last night. He left again for Paotingfu a few hours later but expects to return here in two days time.

2. He wishes us to inform our governments¹ (1) That there was no truth

¹ Cf. *F.R.U.S. 1933*, vol. iii, pp. 234-5 and *Documents Diplomatiques Français 1932-1939*, 1^{re} Série, tome ii (Paris, 1966), No. 406.

whatever in current rumours that Chiang Kai-shek (from whom he had just come) contemplated negotiations with Japan in any shape or form (2) That China stood loyally by the League resolution of February 24th and that she would never by entering into direct negotiations or otherwise 'let down her friends the friendly Powers' . . .² to act strictly up to it (this was repeated with emphasis several times) to Nine Power Treaty and to the Kellogg pact and (3) That five days ago Suma of Japanese Legation at Shanghai had called on him in Nanking and asked why now that crisis was over, China and Japan should not once more be friends with the idea of forming a pan-Asiatic block (this tallies exactly with recent telegram to Paris from French Ambassador, Tokyo, see my telegram No. 220³). Minister for Foreign Affairs had replied to Suma, that idea was excellent provided certain preliminaries were gone through e.g. compliance by Japan with the behests of the League since incident of September 18th including evacuation of Japanese troops from Manchuria, cancellation of Manchukuo etc. Was there no one in Japan statesman enough to see that the seeds of bitter hatred were being sown between future generations of Chinese and Japanese? Had Bismarck's annexation of Alsace Lorraine⁴ ended in ultimate benefit to Germany? And so Suma's overtures had been dropped.

3. It was evident to my colleagues and myself that main object of Minister for Foreign Affairs' statement to us was to emphasise that China in resisting Japan in Jehol had done so largely as the instrument and agent of the League under resolution of February 24th and that large degree of responsibility thus rested on Geneva.

4. Inter alia Minister for Foreign Affairs raised question of Japan's position under paragraph 3 of Article 1 of League covenant. If Japan left the League (and he believed she would do so on March 20th) what about her obligation to give two years notice? He further said that though Manchuria and Jehol had now gone there still remained eighteen provinces and three special territories that Japan must overrun before she could vanquish China. His whole talk was firmly patriotic and he assured us that Chiang Kai-shek was now directing Northern campaign and would remain between Paotingfu and Shihchiachwang for the purpose. Troops were being poured up Peking-Hankow line and six Southern divisions were already on the way. Chiang Kai-shek had seen Yen Hsi-shan⁵ who was quite loyal in backing him.

5. Just before I saw Minister for Foreign Affairs I had received a letter from Doctor J. Hengliu who is head of Nanking Government medical service and running the hospital arrangements here and at the front, saying that wounded were pouring into Peking (I have seen many myself) that

² The text is here uncertain. On the filed copy the succeeding word 'to' was bracketed in pencil and the suggestion made that the text should have read: 'but act'.

³ Of March 13, not printed.

⁴ At the close of the Franco-Prussian war of 1870-1.

⁵ Tuchun of Shansi, at one time hostile to the Nanking Government, see No. 497 below, paragraph 7.

Japanese had received severe check outside Hsifengkow which was still in Chinese hands but that 25th division (of Chiang Kai-shek's troops) had suffered 'quite severe losses'. I cannot check the accuracy of the above.

Repeated to Commander-in-Chief, Mission and Tokyo.

No. 458

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 15, 9 a.m.)

No. 79 Telegraphic [F 1754/18/10]

TOKYO, March 15, 1933, 12.47 p.m.

Sir M. Lampson's telegram No. 221.¹

Japanese Government have always wished to negotiate with Chinese and no doubt are still trying. While we realise that it is out of the question for us to advise Chinese to negotiate we deplore anything being said to discourage them. If Chinese carry out their intention of continuing military struggle we foresee that fighting will spread into north China and quite possibly further.

We doubt whether Peking² realises either the strength or present temper of Japan.

Repeated to Peking for Commander-in-Chief.

¹ No. 457.

² In his telegram No. 231 of March 16 to the Foreign Office (received 6.15 p.m. that day) Sir M. Lampson said: 'If by "Peking" is meant His Majesty's Legation or myself I do not understand. If Nanking government, their doubt is certainly not justified.'

No. 459

Sir M. Lampson (Peking) to Sir J. Simon (Received March 15, 5.30 p.m.)

No. 222 Telegraphic: by wireless [F 1808/18/10]

PEKING, March 15, 1933

Following received from Mukden March 12th.

Begins—

Addressed to Peking No. 43, repeated to Tokyo, by post to Harbin, Newchwang and Dairen.

My telegram No. 42.¹

Military authorities announce decision of Japanese army headquarters that necessary operations in Jehol having been completed Japanese troops will be engaged in guarding the passes along the wall and in cleaning up the remnants of the Chinese troops within the province. In other words they will send no troops inside the wall.

2. No statement could be elicited regarding Chahar.

3. According to unofficial information Japanese army headquarters returned to Changchun yesterday.

Ends.

¹ This Mukden telegram of March 11 (repeated to the Foreign Office in Peking telegram No. 217 of March 12: not printed) said that operations in Jehol were regarded as being virtually ended and the return of the Kwantung army headquarters to Changchun was expected shortly.

No. 460

Sir M. Lampson (Peking) to Sir J. Simon
(Received March 15, 5.30 p.m.)

No. 227 Telegraphic: by wireless [F 1783/18/10]

Confidential

PEKING, March 15, 1933

Peking correspondent of Manchester Guardian was informed yesterday by Rengo representative that practically all chance of Japanese intervention disappeared with Chang Hsueh-liang's resignation.¹

Two days before resignation orders had been issued to the three divisions in Japan to prepare to embark for Tientsin. He stated that the Japanese military authorities in Peking were extremely disappointed which is confirmed by the impression gained by the Military Attaché in an interview on 13th March with Japanese.

Repeated to Mission, Commander-in-Chief, General Officer Commanding, Tientsin for Brigadier.

¹ See No. 439.

No. 461

Sir M. Lampson (Peking) to Sir J. Simon (Received March 16, 5 p.m.)

No. 232 Telegraphic: by wireless [F 1825/18/10]

Most confidential

PEKING, March 15, 1933

Minister for Foreign Affairs returned to Peking from Paotingfu today and leaves again tonight.

2. In the course of long and intimate conversation he asked me point blank what China should now do? I replied that that was not a question I could answer officially whatever my own views might be. As a personal friend of many years standing in point of fact they were that China should on no account give Japan a pretext for further action no matter how just China might feel her cause to be. Minister for Foreign Affairs immediately enquired whether that meant that China should drop all resistance, withdraw her troops both north of Peking and round Tientsin, and thus leave the way open for overrunning of north China? I replied that I was still naive enough to believe Japanese protestations of unwillingness to invade north China though I realised from experience that Japanese professions were usually worse than useless. But I so worded my remarks as to avoid being drawn into any *direct* suggestions that China should withdraw her troops from Tientsin area or from the neighbourhood of Shihfengkou¹ where apparently stiff fighting is still in progress (this according both to Chinese and to Reuter message in late tonight from Tokyo) and I was pressed hard by Minister for Foreign Affairs to be less non-committal but merely reaffirmed that the

¹ Amended on the filed copy to read: 'Hsifengkou'.

course of wisdom was to consider the ultimate effects upon China. I had always felt and still felt that time was on China's side as in case of Shantung a few years ago. Let her not worry for the moment too much over Manchuria but turn her attention to internal unity and preparation. Chinese were sufficiently patient and sufficiently endowed with power of absorption to be able safely to trust the future when their house *was* in order and their preparedness sufficiently advanced with the passage of years.

3. Whilst most anxious to inspire common sense into the Chinese and a realisation of hard, crude facts due to her own defencelessness I felt sure you would not wish me to shoulder more directly the odium of what Chinese public opinion would undoubtedly regard as a surrender with corresponding effect upon British position and influence in this country.²

Repeated to Commander-in-Chief and Mission.

² Sir M. Lampson's language was approved in Foreign Office telegram No. 129 of March 20, which read: 'I approve your language and agree that more could not properly have been said.'

No. 462

Mr. Patteson (Geneva) to Sir J. Simon (Received March 16)

No. 36 Saving L.N. Telegraphic [F 1794/33/10]

GENEVA, March 15, 1933

Following from Mr. Cadogan.

The Advisory Committee on the Sino-Japanese dispute, set up under the Assembly Resolution of February 24th, met for the first time this afternoon.¹

It had before it a letter² from the Soviet Government refusing to participate in the work of the Committee and a letter³ from the United States Government appointing Mr. Hugh Wilson to participate in the work of the Committee without right to vote.⁴ The Committee decided to express to the Soviet Government its regrets that the latter had not seen its way to accept the invitation.

The Committee then invited Mr. Wilson to take his place at the table.

M. Madariaga (Spain) proposed that a sub-committee should be appointed to consider the problem of the exportation of arms to the Far East.

After a brief discussion on the precise terms of reference of the sub-committee this proposal was unanimously agreed to.

¹ A summary of the proceedings of this meeting is printed in *L/N.O.J., S.S. No. 112*, p. 100.

² For a translation of this letter of March 7, see *ibid.*, pp. 98-99.

³ Of March 11, see *ibid.*, p. 99.

⁴ Mr. Hugh Wilson was U.S. Minister in Switzerland. In his despatch No. 424 of March 16 to the Foreign Office (received March 25) Sir R. Lindsay referred to a press statement issued by the State Department (see *F.R.U.S. Japan 1931-1941*, vol. i, p. 119) simultaneously with the publication on March 14 of their letter of March 11 to Sir E. Drummond and said: 'The Administration were at pains to emphasize that their appointment of Mr. Wilson to act in the above capacity did not commit the United States to anything.'

Mr. Lester (Irish Free State) then proposed that another sub-committee should be appointed to make recommendations as to the manner in which effect should be given to the recommendation of the Assembly that no recognition should be extended to the *de facto* situation created in Manchuria by the Japanese aggression.

M. Benes (Czechoslovakia), in supporting the proposal, pointed out that concrete cases would certainly arise, and indeed had already arisen, e.g. the application of Manchukuo to be admitted to the International Postal Union.

Certain other delegations questioned the necessity of appointing a Sub-Committee and thought that the Governments which had accepted the Assembly resolution must be left to apply it to the best of their ability.

M. Massigli (France) suggested that the members of the Committee should recommend their Governments to instruct their various administrations to be careful that no action should be taken by them in contravention of the Assembly Resolution and that any cases of doubt should be referred to the present committee.

After a long and somewhat confused discussion it was agreed that a report on all the proceedings of the Committee, including a recommendation to this effect, should be circulated to all the Members of the League.

It was then agreed unanimously to constitute a sub-committee with the terms of reference proposed by Mr. Lester.

No. 463

Sir M. Lampson (Peking) to Sir J. Simon (Received March 16, 5 p.m.)

No. 233 Telegraphic: by wireless [F 1850/18/10]

Very confidential

PEKING, March 16, 1933

My telegram No. 232.¹

Doctor Chiang Mou-lin late Minister of Education and now head of Peking university, called on March 16th and in the course of a long political discussion disclosed as follows:

(1) Since the very beginning of Sino-Japanese crisis there had been two parties (*a*) relying entirely on the League (*b*) in favour of second string direct negotiations (? very secretly) and possibly simultaneously with Japan. But the latter party had been over-ruled. Meantime internal politics and especially attitude of Canton (see my telegram No. 220)² had made resistance to Japan over Jehol inevitable to Chiang Kai-shek if he was to retain his political power. But Chiang Kai-shek's policy now was *not* to try to go back outside the Wall; rather to hold the area south of it and pre-

¹ No. 461.

² In this telegram (cf. No. 457, para. 2) Sir M. Lampson said: 'in the south we know that feeling against Chiang Kai-shek personally is bitterly hostile. He may even have difficulty in maintaining his position, master of political manoeuvres though he has proved himself to be.'

vent appetite of Japan spreading to that area owing to lack of all Chinese resistance.

(2) I told him very confidentially of Minister for Foreign Affairs' visit to me last night and of how I felt unable directly to respond to his appeal for advice on China's future course. But to him Chiang Mou-lin being an old friend and out of office I could speak differently and admit what I really felt entirely unofficially. It seemed to me de[p]lorable that by continuing the present fighting at Shihfengkou Chinese should perhaps be affording junior Japanese officers in search of laurels and promotion the very pretext they might be seeking for as [?an] extension South of Wall of the area of operations. That it is obvious no foreign representative . . .³ saddle his government or his country with responsibility of tendering such unpalatable advice however sound he might feel convinced it was in China's own interest. Why I might even be accused, not for the first time, of acting as a Japanese agent pure and simple.

(3) Dr. Chiang said that was undoubtedly correct. But though neither Chiang Kai-shek nor Minister for Foreign Affairs could listen to such advice even if given yet in their heart of hearts it gravitated with their own sentiments. As I had said time was essential on China's side and he believed Chiang Kai-shek was in fact pursuing that policy however much he must outwardly profess different intent.

(4) Dr. Chiang let drop that shortly before Chang Hsueh-liang retired he had been visited by Harada⁴ of the Japanese Legation at Peking who on instructions from Tokyo had taken the line that Jehol being over why should not China and Japan make up their differences? This had been reported to Nanking but had led nowhere and could in fact have led nowhere.

(5) Chiang [Mou-lin] though out of office is still of importance politically and I believe knows much of internal discussions. I shall try to keep in touch with him as through him my words can reach higher authority in completely non-committal form.

Repeated to Commander-in-Chief and Mission.

³ The text is here uncertain.

⁴ Mr. R. Harada was Secretary Interpreter in the Japanese Legation at Peking.

No. 464

Sir M. Lampson (Peking) to Sir J. Simon (Received March 22, 4 p.m.)

No. 247 Telegraphic: by wireless [F 1930/33/10]

PEKING, March 21, 1933

Dr. Kung¹ called March 20th to convey message of thanks to His Majesty's Government for hospitality and courtesy shown him during recent visit to the United Kingdom.

¹ Dr. H. H. Kung, leader of the Chinese Special Industrial Commission to the United States and Europe, had visited the United Kingdom early in February 1933.

2. He said that fighting was still going on near the Wall. There were now three lines of Japanese thought vis-à-vis China (a) that Japan was bound sooner or later to fight a third Power and that as China would undoubtedly side with that Power better to finish them off right away; (b) that it was suicidal from Japan's point of view to antagonize the whole Chinese nation and therefore Japan should now call a halt; (c) that Japanese militarism if given sufficient hemp would end by hanging itself: therefore let the army go ahead against China and speed up inevitable reaction through material Japanese losses thus incurred.

3. I questioned him regarding reported overtures of Japan regarding pan-Asiatic bloc.² He said these were quite true: both he himself and his colleagues had received written suggestions from Tokyo source. But China would never agree to such proposals which only showed how mistaken Japan was about intensity of feeling against her.

4. He next spoke of possibility of severing diplomatic relations; and when I warned him this might be unwise whilst having no very obvious advantages, he hinted that China might ask Japan to withdraw all her nationals throughout the country 'for their own safety during present intensity of feeling'. I urged this would be most unwise and would very probably be regarded as provocative let alone a breach of treaty rights. He said that certain Japanese business men (for instance Funatsu)³ might have their hands strengthened if they could show their business interests in China were at stake; but I pointed out the effect would probably be precisely the contrary: their argument for a peaceful settlement would almost certainly be weakened.

5. Finally he informed me feeling was running high with military leaders such as Sun-Tiao-yuan⁴ and Han Fu-chu against Chiang Kai-shek for not having taken more initiative against Japan.

6. Throughout the conversation my endeavour was to put the brake on; China was defenceless; better to recognise that and concentrate on internal reconstruction and preparedness.

Repeated to Mission, Tokyo and Commander-in-Chief.

² Cf. No. 457.

³ Mr. Funatsu was chairman of a big Japanese Cotton Combine; cf. Volume IX, No. 581, note 3.

⁴ Mr. R. Allen commented in a minute of March 23: 'By "*Sun Tiao-yuan*" which, I am told is no proper name, is probably meant "*Chen Tiao-yuan*" who is virtual Governor of Anhwei. Han Fu-chu is Governor of Shantung.'

No. 465

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 22, 9.30 a.m.)
No. 82 Telegraphic [F 1895/1637/23]

TOKYO, March 22, 1933, 11.50 a.m.

My telegram No. 49.¹

Japanese government will probably communicate their withdrawal from League of Nations to Geneva on March 27th.²

Repeated to Peking.

¹ No. 354.

² In his despatch No. 184 of March 29 to the Foreign Office (received May 4) Sir F. Lindley reported that the decision of the Japanese Government to give notice of withdrawal from the League of Nations was finally approved by the Privy Council on March 27. Imperial sanction was formally obtained and the notice of withdrawal was telegraphed to Geneva on the same day; see *L.N.O.J.* May 1933, pp. 657-8. Sir F. Lindley continued as follows: 'The press has taken the announcement of the final act of withdrawal calmly. There is an absence of any regret, except in one or two cases, the majority of the vernacular papers emphasising mainly the fact that the event marks a turning-point in Japan's relations with foreign countries, that her diplomacy for the past thirteen years, during which she has been a member of the League, has been "liquidated," and that henceforth she will be free to act independently. But this does not necessarily mean that she will be less friendly with other Powers or that she will be completely isolated. . . . There has been a great deal of discussion in the newspapers as to the orientation of Japanese policy in the future; and, although there is a belief that there will be some change in that policy, which will be conducted rather on the lines of the old diplomacy than according to post-war methods, there is a general consensus of opinion that withdrawal from the League cannot and must not result in Japan's losing touch with Western nations or in her following a policy of isolation. It will be no easy task to keep Japanese foreign relations in this middle path; and I should not be surprised if, in order to have a freer hand in the future, Japan took the opportunity which will occur in 1934 to denounce those disarmament and territorial treaties which can be terminated in 1936 by two years' previous notice. If this prognostication should be fulfilled, a new and interesting phase in the Far Eastern position will arise in the latter year.' Sir F. Lindley was referring presumably to the Washington treaties of 1922; cf. No. 173, note 2.

No. 466

Letter from Sir F. Lindley (Tokyo) to Sir V. Wellesley (Received April 21)
[F 2615/11/23]

BRITISH EMBASSY, TOKYO, March 24, 1933

My dear Wellesley,

Thanks for your interesting letter (F 747/11/23) of the 14th February¹ which reached me to-day. As the bag goes off to-morrow, I am dictating a private answer and will see if I can amplify it usefully in an official despatch later on.

As regards the first paragraph of your letter, we believe here that the great activity in the provision of war material, both imported and produced within the country, is due to the wish of the Japanese Government to be prepared

¹ Not printed.

for every eventuality. And we do not doubt that, amongst such eventualities, one of the most probable has been considered to be the imposition of some kind of economic sanctions. In fact it appears to me personally that it would be difficult to find a more efficacious method of increasing the production of munitions, not merely in Japan but in other countries where there are at present no great munition factories, than the discussion which has been going on as to the desirability of forbidding export of arms and ammunition abroad by those countries which are at present able to produce them in large quantities.

As regards Russia, you will have received, since your letter was written, my despatch No. 157² Confidential of the 14th instant containing a memorandum of a conversation between Colonel James and the Russian Military Attaché. Since then we have nothing new to add and it is not easy, without writing an immense essay, to give a clear picture of the Japanese attitude towards Russia in connection with the Manchurian question. Very briefly I believe it to be as follows:

The Manchurian incident of September 1931 was not prompted by fear of Russia but was a genuine reaction against the tail-twisting policy of the Chinese. After the League of Nations had condemned Japan in October of that year, and thus made the Military party supreme in this country, and as the latter party realised the passive attitude of Russia, the economic side of the Manchurian question took a quite secondary place in comparison with its strategic aspects. All the talk, of which we heard so much, about Manchuria being the 'life-line' of Japan means really that the Japanese consider its domination by themselves as necessary to the safety of Japan against Russian aggression. If, therefore, you were to ask any Japanese soldier, or anyone who is heart and soul for Japanese Military policy, why he considered it impossible to make any concessions regarding Japan's Manchurian policy, he would reply that it was essential for the Japanese to dominate Manchuria in order to be in a position to resist Russia. But if you asked a business man or a man of what is called 'moderate views' the same question, he would answer that Japan absolutely required Manchuria as an outlet for her energy and for her surplus products. Since the Japanese Government is at present dominated entirely by the Military party it may be said with confidence that the strategic or anti-Russian aspect is at the present time the dominant one in the minds of those who direct Japanese policy.

As regards actual aggression by Japan, we do not believe that this is contemplated in the near future, but, as you will have seen from our despatches, the Japanese Army seem to be convinced that war with Russia sooner or later is inevitable and this might easily lead them to take the initiative when they consider the proper moment has arrived. From the point of view of British interests, it is obvious that Japanese expansion in the Maritime Provinces is much to be preferred to expansion south of the Great Wall or, indeed, anywhere else in the world.

Yours ever,

F. O. LINDLEY

² Received April 19: not printed.

No. 467

Sir J. Simon to Sir F. Lindley (Tokyo)
No. 86 Telegraphic [F 1659/176/10]

FOREIGN OFFICE, *March 25, 1933, 3.15 p.m.*

Peking telegram No. 205¹ (of March 9th: Fengshan Railway).

I am advised that on the assumption that the property in question has been seized in such a way as to take it out of the control of the Chinese Government and make it unavailable as security for the bondholders under the Shanhaikuan-Newchwang Railway Loan Agreement of 1898 and that the rights of the latter have been consequently impaired, it would be proper to make representations to the Japanese Government. Any such representations should however be based, not on alleged infringement of the Agreement (since this was concluded with the Chinese Government) but on the action taken by the Japanese authorities, or by persons acting under their supervision and control, which has resulted in the infringement or impairment of rights which certain British subjects have in property dealt with by the authorities in question.

It is not clear how serious alleged seizure of materials is, but some protest seems desirable. You should therefore recall to the Japanese Government the assurance reported in your telegram No. 18² and protest in such terms as you consider most suitable against action detrimental to British interests reported to have been taken by the administration of the Fengshan Railway at a time when the line must be assumed to have been virtually under Japanese control. It will perhaps be inadvisable to make control of the station itself a specific ground of complaint but you will no doubt draw attention to the lien of the bondholders on the entire property of the intramural railway.³

¹ No. 434.

² In this telegram of January 12 (not printed) Sir F. Lindley had referred to Foreign Office telegram No. 5 (see No. 192, note 2) and reported his interview with the Minister for Foreign Affairs that morning. Count Uchida had assured him that 'he realised the situation and that strict orders had been given to show every regard for foreign property should hostilities be forced upon the Japanese'.

³ This telegram was repeated by the Foreign Office to Peking as No. 136. Sir M. Lampson was told, in Foreign Office telegram No. 135 of the same date, that he need not himself make any representations pending the Japanese Government's reply. Sir F. Lindley reported in his telegram No. 87 of March 27 that Count Uchida had agreed that afternoon to 'look into the question'.

No. 468

Letter from Sir M. Lampson (Peking) to Sir V. Wellesley (Received June 1)
[F 3674/52/10]

PEKING, *March 25, 1933*

My dear Victor,

With reference to Ingram's despatches Nos. 854 and 858 of July 11th last,¹ I enclose herewith copies of letters¹ just exchanged with Maze on the subject

¹ Not printed.

of the Japanese claim to the Chief Secretaryship, and the question of his, Maze's own successor as Inspector-General of Customs.

Maze's style of writing is rather involved, but as I understand it, the information which he wishes to convey in his letter is as follows. He refers to an alleged understanding arrived at between his predecessor and the then Japanese Minister (Yoshizawa), to the effect that the nationality of the Chief Secretary would be Japanese, in pursuance of which Kishimoto was subsequently appointed to the post. Last year, when the Manchurian crisis became acute, Maze arranged with the Japanese Minister for the return of Kishimoto to Japan on long leave. He, Maze, was desired, however, to give an assurance that, when the political situation improved, either Kishimoto or another Japanese would be reappointed Chief Secretary. In order to facilitate Kishimoto's removal, Maze gave a qualified assurance in this connection, i.e. that, if the Chinese Government did not object, and conditions permitted, he would not oppose Kishimoto's reappointment. Finally, Maze informs us that he has now appointed Lawford² to be Chief Secretary with the object of training him up to become eligible for the post of Inspector-General when he, Maze, retires.

The Japanese have of course persistently pursued the question of increased Japanese representation in the higher branches of the Customs service ever since the Washington Conference, their ultimate objective being, no doubt, to control the service through a Japanese Inspector-General. They raised the matter at the time of the Tariff Conference of 1926-7, and again in February 1927 at the time of Aglen's³ retirement, with the result that Aglen agreed to Kishimoto filling the post of Chief Secretary vacated by Edwardes⁴ (see my despatch No. 136 of February 15th, 1927). On that occasion they afforded us valuable support in securing Edwardes' succession and I dare say they regarded the appointment of Kishimoto to the Chief Secretaryship as a *quid pro quo* for their assistance. Subsequently they continued, whenever opportunity offered, to press for further Japanese posts (see my despatch No. 1159 of October 21st 1927), and in January 1928, they sought to establish the theory that Kishimoto, being appointed to the post of Chief Secretary, would eventually succeed to the Inspector-Generalship (see my despatches Nos. 74 and 98 of January 21st. and January 28th. 1928). For the time being, owing to the situation between China and Japan, these manoeuvres are at a standstill. But no doubt they will be revived in due course.

Meanwhile the position as regards the Japanese claim in general, and Kishimoto's in particular, to the Chief Secretaryship remains somewhat vague. Maze seems to be handling the situation on the right lines, and there for the time being we must leave it. It is possible that, when the time comes, we and the Japanese may find that we shall have to reckon rather more with the Chinese Government in regard to this question than has been the case in the past.

² Cf. No. 84.

³ Sir Francis Aglen was Inspector-General of Customs 1911-27.

⁴ Mr. Edwardes was Acting Inspector-General 1927-9; cf. Volume VIII, No. 1 (p. 24).

As regards the information which Maze now gives us, that he has selected Lawford as his eventual successor, and proposes to train him for the post, I do not know enough about Lawford to offer an opinion as to his fitness for the post. I may, however, be able to find out more about this aspect of the matter later on. *Prima facie*, Lawford is hardly of the calibre for the post; but then who amongst the British employees in the Customs Service is? Considering the methods of recruitment and the comparative lack of attractions of the Customs as compared with the higher branches of the British Civil Service, it is, I suppose hardly to be expected that it should produce men of the high standard of ability which is properly required for such an important position. So that unless someone is to be introduced from outside, it is no doubt a question of making the best of the available material.⁵

Yours ever,

MILES W. LAMPSON

⁵ In a minute on this letter Sir J. Pratt wrote on June 13: 'Perhaps the League might choose the next I.G.?' Mr. Orde wrote on June 19: 'It is an unfortunate outlook and since, subject to political complications and boycotts, our trade is likely soon to be less than Japanese trade in China our claim to the I.G.-ship will virtually disappear, so that it is difficult to try to persuade good Englishmen to go into the service. It might not be a bad plan if the League were to choose the next I.G. and subsequent I.G.s, but we could hardly suggest it except on a very favourable opportunity.'

No. 469

Sir F. Lindley (Tokyo) to Sir J. Simon (Received March 27, 11 a.m.)

No. 89 Telegraphic [F 2030/18/10]

Confidential

TOKYO, March 27, 1933, 5.25 p.m.

Mr. Yoshizawa¹ leaves tonight for Shanghai. Please keep this confidential until departure is known to the public.

I have no doubt that he has an unofficial mission to try and get into touch with Chinese Government or elements supposed to be in favour of negotiations and I suspect that he is also enquiring as to the truth of belief held here in several quarters that Chinese are being encouraged by some Powers to continue the struggle.

It will be remembered that . . .² scheme for (? Shanghai) was Mr. Yoshizawa's child.

Repeated to Peking.

¹ Mr. Yoshizawa, Japanese Minister for Foreign Affairs, January-May, 1932, had held no official position since the formation of Admiral Viscount Saito's cabinet on May 26, 1932; cf. Volume X, No. 379.

² Mr. Scott suggested on the filed copy that this passage should read: 'that Round Table scheme'. Cf. Volume IX, No. 603.

Sir M. Lampson (Peking) to Sir J. Simon (Received March 28, 6 p.m.)

No. 264 Telegraphic: by wireless [F 2044/18/10]

PEKING, March 28, 1933

Shanghai telegram No. 147 to Peking¹ of June 13th 1932 and section 39 of enclosure in my despatch No. 1074² of August 19th, 1952.

Question of interpretation of article 2 of armistice agreement has again arisen on account of Japanese protest against Chinese troop movements through prohibited area of Shanghai on the way to other parts of China. Chinese have replied to protest, maintaining that such troop movements do not come within the scope of agreement.

2. If Japanese refer point to Joint Commission latter would *prima facie* re-affirm ruling given in June 1932—see correspondence above referred to. This would mean commission continuing indefinitely as an instrument for securing demilitarisation of Shanghai area in the interests of Japanese policy and this in turn raising question as to whether normal conditions having been restored at Shanghai, commission should remain indefinitely in being for this purpose.

3. As dissolution of commission is obviously undesirable at present time of renewed crisis between China and Japan, His Majesty's Consul-General at Shanghai has under my instructions sought to dissuade his Japanese colleague from forcing the issue by referring point to commission especially as Chinese authorities are prepared to inform Japanese of troop movements in question and has warned his . . .³ in my name in most friendly spirit that if point is pressed too far it may lead to reconsideration by neutral governments of the whole position of commission. There appears to be some hope that Japanese may be induced to drop the matter but in case they do not do so I have agreed with my United States⁴ and French colleagues that if the question is referred to joint commission they will give a ruling on the following lines. 'The neutral members of the commission do not consider article 2 should now be invoked to prevent normal transit of Chinese troops by railway to other parts of China unless there is definite evidence that such troop movements are locally hostile to Japanese in the sense intended by article 1.'

4. Copies of correspondence⁵ follow by post.

¹ Volume X, No. 415.

² *Ibid.*, No. 620. Mr. Scott noted that this reference was obviously incorrect and that the reference should have been to Shanghai despatch No. 166 of August 6, 1932, to the Foreign Office (received September 10), which had enclosed a review of the work of the Joint Commission established under the Sino-Japanese Agreement of May 5, 1932. Section 39 of the enclosure related to Chinese troop movements and the interpretation of article 2 of the Agreement.

³ The text is here uncertain: the word 'colleague' was suggested on the filed copy.

⁴ See *F.R.U.S.* 1933, vol. iii, pp. 251-3.

⁵ Not printed.

Mr. Patteson (Geneva) to Sir J. Simon (Received March 30)

No. 45 Saving L.N. Telegraphic [F 2082/33/10]

GENEVA, March 29, 1933

Following from Mr. Carr.¹

The Advisory Committee in the Sino-Japanese dispute met yesterday² and had before it the Japanese note announcing the withdrawal of Japan from the League, together with the Secretary-General's reply.³

This reply received general approval. The Irish Free State representative suggested that it might be necessary for Committee to formulate reserves with regard to the views expressed in the Japanese note; but the Committee decided that it was unnecessary to reopen discussion on points already fully dealt with in the Assembly. The view was expressed that the Committee was not competent to discuss the legal issues involved by the Japanese notice to withdraw.

Committee then heard report by the Secretariat on a preliminary study undertaken in connexion with the sub-committee appointed to examine the manner in which the States members should carry out the decision not to recognise Manchukuo.⁴

It was explained that Secretariat has been engaged in examining various conventions and other international arrangements concerning stamps, passports, money and communications in order to enable sub-committee to assess how far the inclusion of Manchukuo in such arrangements would imply or involve recognition of the Manchukuo Government.

French representative suggested that the question of Consuls should also be studied since at any moment problem of replacing a Consul originally accredited to Chinese authorities might arise.⁵ Irish Free State representative also proposed study of the question of contracts. (He did not elaborate this proposal, the purport of which remained obscure.) When this work is completed the Secretariat will circulate a report to the members of the Committee, and time will be allowed for examination before calling sub-committee (to which Canada has now been added).

The Chairman, supported by the Belgian and Swedish delegates, then suggested that the sub-committee to consider the question of an embargo should meet at an early date.

¹ Mr. E. H. Carr (cf. No. 17, note 9) was a member of the United Kingdom delegation to the Special Session of the Assembly of the League of Nations.

² A summary of the proceedings of this meeting is printed in *L/N.O.J.*, S.S. No. 113, p. 8.

³ For the texts of these two communications of March 27 see *L/N.O.J.* May 1933, pp. 657-8; cf. No. 465, note 2.

⁴ Cf. No. 462.

⁵ Mr. Scott minuted as follows: 'As regards the question of Consuls in Manchuria, the French delegate is at sea. The exequatur system does not exist in China (at any rate for extraterritorial powers); and Consuls *have* been replaced since Manchukuo was created. All that happens in China at present as regards British (and other extraterritorial Powers') consuls is that the Legation send a notification to the Ministry for Foreign Affairs of the appointment of Consuls-in-charge. A. L. Scott 30/3.'

I said that the examination which had been taking place elsewhere as to the possibility of imposing embargoes on the export of arms to certain South American countries was not yet complete, and there were certain practical difficulties in the way of reaching an early conclusion. These difficulties would present themselves equally in any examination of the question of an embargo in the Far East, and I doubted whether any purpose would be served by embarking on such an examination at the present moment. Moreover, the whole question of principle had not yet been discussed, and the Governments might desire to have more time to reflect on this.

The German and Czechoslovakian delegates also expressed doubts as to the desirability of convoking the sub-committee for the present. The German delegate, having incautiously referred to the possibility of imposing an embargo on shipments to 'certain Far Eastern countries', the French delegate intervened to make it clear that it had not been accepted that the embargo, if imposed at all, should be imposed on more than one of the parties to the dispute.

It was agreed not to proceed with this matter for the present, and it is not intended to convoke any further meetings of the Advisory Committee or any meetings of these sub-committees until after the Easter recess.⁶

⁶ Sir J. Pratt minuted as follows: 'I gather that the question of an arms embargo is not to be examined at present. This is just as well for there may not be any more serious fighting. J. T. Pratt 31/3.'

No. 472

Mr. Dormer¹ (Bangkok) to Sir J. Simon (Received March 30, 11.20 a.m.)
No. 5 Telegraphic [F 2084/33/10]

BANGKOK, March 30, 1933, 1.40 p.m.

Tokyo despatch No. 144² of March 7th.

Minister of Foreign Affairs informed me yesterday that Siamese government much resented Japanese propaganda on the subject of Siam's abstention

¹ Mr. C. F. J. Dormer was H.M. Minister at Bangkok.

² In this despatch (received April 7, not printed) Sir F. Lindley reported on the inaugural meeting of the Great Asia Society held in Tokyo on March 1, and recorded some impressions made in Japan by the Siamese delegate's abstention on February 24 from voting upon the Report of the Committee of Nineteen on the Sino-Japanese dispute (see *L/N.O.J.*, *S.S. No. 112*, p. 22; cf. No. 365 above). He summarized as follows a telegram on the subject from a correspondent of *Nichi-Nichi* in Bangkok: 'This was to the effect that Siam, by her abstention, had shown herself to be the only pro-Japanese country. . . . Siam understood conditions in China and also the position of Japan, and the reason why she had refused to follow the crowd of small nations and had ranged herself on Japan's side was that she had achieved the knowledge of where her own future lay and of what the path of all the eastern peoples was.' Sir F. Lindley also referred to the subject having been raised in the Lower House of the Diet on February 25 when 'gratitude for Siam's action was shown and the hope expressed that special efforts would be made to promote trade between Japan and the coloured peoples'.

from voting at Geneva. Japanese Minister had urged him to recognise Manchukuo but he had refused to give³ as reason the large Chinese population in Siam.

Siam's attitude is influenced by fear of provoking either side and it seems to me that Japanese propaganda is having the opposite effect here to what is intended.⁴

³ It was suggested on the filed copy that the text here should read: 'refused, giving as reason'.

⁴ In a minute of April 11 Mr. Allen wrote: 'The "gratitude" to Siam and the interpretation put upon her action is another example of the Japanese tendency to believe what they want to believe.'

No. 473

Mr. Dormer (Bangkok) to Sir J. Simon (Received May 10)

No. 56 [F 3121/33/10]

BANGKOK, March 30, 1933

Sir,

I have the honour to forward herewith a cutting from the 'Bangkok Times' regarding Siam's abstention from voting on the Report of the Committee of Nineteen on the subject of Manchuria.¹

2. The Minister for Foreign Affairs recently informed me that instructions had been sent to the Siamese Minister in London to issue a communiqué,² which you will have seen presumably, regarding the attitude of the Siamese Government and denying the reports, which apparently had appeared in the 'Daily Express', that Siam had been buying arms to pass on to Japan.

3. Phya Srivisarn³ pointed out to me that Siam was afraid of both China and Japan, and could not have acted otherwise than she had done for fear of provoking the vengeance of either of them. Her abstention from voting merely signified that she took no side. Prince Damrong⁴ spoke to me in a similar sense, and generally the attitude of the Siamese Government has been applauded here. I do not suppose that it will have caused surprise in any quarter, nor is it likely that the Siamese will derive much encouragement from reading Mr. Matsuoka's alleged declaration at Geneva as reported in the enclosed cutting.

¹ Not printed. This extract of March 27 reported that when Mr. Matsuoka had been asked at an interview in Geneva on February 24 if it were not a lesson to Europeans that 'The only State which declined to vote for the report was Siam, the only independent State in Asia apart from Japan' he had declared impulsively: 'If Europeans try to crush Siam we shall not let them. If necessary, we would fight for her.'

² See *The Times*, March 3 (p. 13) where it was reported that 'the Siamese Government has issued an announcement denying reports that Siam is supporting Japan, and declaring that her attitude at Geneva was strictly neutral'.

³ Phya Srivisar Vacha was Siamese Minister for Foreign Affairs.

⁴ H.S.H. Prince Damrong Derakula was Siamese Minister in London.

4. Since writing the above I have seen a copy of Sir F. Lindley's despatch No. 144^s of the 7th instant, which he was good enough to send me. I asked Phya Srivisarn to-day whether he had received an account of the inaugural meeting of the Great Asia Society at Tokyo. He said that he had not, but that he resented and was embarrassed by the manner in which the Japanese had attempted to make capital out of Siam's attitude at Geneva. That attitude was intended to be completely non-committal, favouring neither one side nor the other. The Siamese Government could not afford to provoke Japan nor could they afford to provoke China. The Japanese Minister, he said, had urged him to recognise Manchukuo, but he had informed him in reply that in view of the large Chinese population in Siam recognition was out of the question. All these professions of Japanese gratitude in consequence of Siam's abstention from voting on the report were neither warranted nor welcome. He also expressed his indignation at Mr. Matsuoka's alleged outburst mentioned above.

5. His Excellency spoke with unusual feeling, and I am convinced that the Japanese are deluding themselves if they think that the Siamese Government have ceased to feel anything but distrust and fear of them. Far from there being a *rapprochement* the clock has, if anything, been put back as far as the Siamese are concerned owing to this Japanese propaganda.

6. Copies of this despatch are being forwarded to His Majesty's Representatives at Tokyo and Peking. His Excellency the Governor, Singapore, His Excellency the Governor, Hong Kong and to the Government of India.

I have, &c.,

CECIL DORMER

^s Cf. No. 472, note 2.

No. 474

Memorandum by Sir J. Pratt¹

[F 1727/923/61]

FOREIGN OFFICE, [March 30, 1933]

ARMS EMBARGO

Note on action taken by His Majesty's Government

1. On February 23, 1933, the day before the adoption of the Report² by the Assembly, His Majesty's Government instituted enquiries in certain capitals (Washington, Paris, Rome, Prague, Stockholm and Brussels) as to what action they were prepared to take, both unilaterally and as part of a general scheme, with a view to control the supply of arms to the Far East.

2. On February 25, at the first meeting of the Advisory Committee in

¹ A note on the filed copy of this undated and unsigned memorandum read: 'Prepared for Lord Hailsham [Secretary of State for War] March 30, 1933, but not used. J. T. P.' A debate on foreign affairs took place in the House of Lords on that day.

² A marginal note on the filed copy here read: '(on the Sino-Japanese dispute)'.

Geneva, Mr. Eden asked the members to consider the problem of the export of arms in relation to events in the Far East.

3. On February 27, His Majesty's Government decided that, pending the issue of negotiations with foreign armament producing countries, and subject to the execution of contracts already concluded, no further licences would be issued as from that date for export to either China or Japan of any article mentioned in the Arms Prohibition Order of 1931. (Excepting aircraft and aircraft engines in regard to which an open general licence authorising exportation to all destinations had been issued on 1st June, 1931.) There was a very strong demand in this country for action which would prevent the sustaining of the conflict between China and Japan by the supply of arms. His Majesty's Government recognised both the moral force that lay behind this appeal and the special responsibility that rested on them by reason of the licensing system under which no consignment of arms can be exported without their consent. It was realised however that the control of the supply of arms to the Far East could not be satisfactorily and effectively dealt with except by an international agreement securing common action by all armament producing and armament selling countries whether members of the League or not. The Secretary of State, therefore, in announcing the decision of His Majesty's Government in the House of Commons, made it quite clear that while it was possible for international action to be directed against one party to a dispute, such discrimination was wholly impracticable for any one State and that the present embargo, which was prompted by a general desire to refrain from facilitating the conflict between China and Japan, had necessarily to apply to both disputants.

4. The replies received from the foreign governments which had been consulted showed that there was little prospect of an effective embargo materialising in the near future and in the meantime orders for the Far East were still being accepted and executed. On March 6, the Secretary of State in reply to a question in the House of Commons stated:—

'There is no indicating³ of universal agreement. This leaves this country in a situation which cannot be allowed to continue and this is the first matter which will be taken up by the Prime Minister and myself at Geneva this week.'

5. The ensuing discussions at Geneva made it evident that there was no prospect of international agreement in the near future and in the circumstances it had to be recognised that no useful purpose could be served by maintaining an embargo imposed by this country alone. In announcing the removal of the embargo on March 13, Mr. Baldwin repeated the conviction of His Majesty's Government that international agreement alone could provide a solution of a problem which was bound to recur in the future, and assured the House that His Majesty's Government intended, as opportunity offered, to pursue the conversations already begun with the earnest desire to reach a form of agreement which would ensure common action in the future in this important matter.

³ This word reads 'indication' in 275 *H.C. Deb.* 5 s., col. 794.

6. On March 15, the Advisory Committee at Geneva set up a Sub-Committee to examine the question of the export of arms in relation to the present conditions in the Far East. The Sub-Committee consists of the representatives of Belgium, Czechoslovakia, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom. The representative of the United States was invited to participate in its deliberations.

7. At a meeting of the Advisory Committee at Geneva on March 28 the question of the prohibition of the export of arms came under consideration. Attention was drawn to the fact that enquiries were already under way in connexion with disputes in another part⁴ of the world, in the course of which specific questions of principle and of execution have been put before the Governments. It was agreed that the members of the Committee should consult their Governments on these questions in order that the Sub-Committees might be in possession of the essential facts as soon as possible.

⁴ A note on the filed copy here read: '(Bolivia Paraguay)'.

No. 475

Sir F. Lindley (Tokyo) to Sir J. Simon (Received May 4)

No. 192 [F 2948/1539/23]

Confidential

TOKYO, March 31, 1933

Sir,

With reference to my telegram No. 83¹ of the 22nd instant, I have the honour to report that the Dutch Minister called upon me this morning in order to give me further information regarding the proposed Arbitration Treaty with Japan and the Non-Aggression Pact. As regards the first subject, General Pabst merely stated that the negotiations were continuing but that there was some difficulty over the subjects to which the treaty should be applicable. Thus the Japanese did not wish questions touching the national honour and vital interests to be included whereas the Dutch Government wished the treaty to be as wide as possible.

2. As regards the Non-Aggression Pact, General Pabst informed me that Mr. Matsuoka, when he was recently at the Hague,² had called at the Dutch Ministry for Foreign Affairs and impressed upon them that Japan was anxious to draw closer the already friendly relations which existed with the Government of the Netherlands. He was entirely vague and made no mention in so many words of a Non-Aggression Pact. But at the same time a number of notices appeared in the Japanese Press recommending the conclusion of a Pact; and General Pabst discovered that these notices were inspired by the Japanese Ministry of Marine. He believed that the real object of the proposal was to ensure a constant supply of oil from Dutch Borneo in the event

¹ Not printed. This telegram gave a brief indication of the information in this paragraph and concluded: 'Japanese government on their side have made tentative proposals for some kind of pact of non-aggression which Netherlands government do not welcome.'

² Cf. No. 436, note 3.

of some form of economic sanctions being applied by the League of Nations. So persistent did the Press campaign continue that the Minister called on the Head of the competent Department at the Gaimusho and asked him straight out whether it represented the views of the Japanese Government. Mr. Matsuda was somewhat taken back and declared that the latter had no intention of making proposals for a Non-Aggression Pact with the Netherlands; and the next day an official *démenti* appeared in the Press.

3. General Pabst does not attach any great importance to this *ballon d'essai* on the part of the Navy Department but considers, and I agree with him, that it is part of what almost amounts to the Japanese mania to be prepared for every eventuality; and is of opinion that, whilst the Japanese Admiralty would prefer to make sure of their oil supplies by peaceful methods, they are quite prepared to take forcible measures should those methods prove unavailing in a national crisis.

I have, &c.,
F. O. LINDLEY

No. 476

Letter from Sir M. Lampson (Peking) to Mr. Orde (Received May 31)
[F 3620/466/10]

BRITISH LEGATION, PEKING, *March 31, 1933*

My dear Orde,

I have just received your confidential semi-official letter of February 6th¹ (F. 668/466/10), regarding the proposal for the appointment of a Consul at Urumchi.²

There is no doubt about the danger of Russian penetration in Sinkiang. The remarkable thing is that the Province has not been absorbed long ago, like Mongolia. What is not so clear is how we are going to stop it, any more than we could in Mongolia.

Urumchi is a very remote and, I believe, a far from agreeable spot, and I question whether a Consul there, unless provided with ample funds, a good residence, and generally a sufficient staff and outfit to enable him to cut a good figure, could do much beyond serving as intelligence agent. This, he could no doubt very usefully be, and the right sort of man should be able to make a good travelling intelligence post out of the appointment, as in the case of the former post at Tachienlu. He would hardly find any other work to occupy his time.

The last thing I wish to do is to throw cold water on the proposal, for I am all in favour of giving the young men a chance in connection with interesting political and intelligence work of this kind, but it is just as well that we should realize in advance what appointing a Consul to a place like Urumchi means. It is quite a different proposition at Kashgar, where we are well established

¹ Not printed.

² Capital of Sinkiang Province.

with a fine residence and all the prestige of a first class Consular establishment with thirty odd years of tradition behind it.

Perhaps the best solution would be to send the Kashgar Vice-Consul as Consul to Urumchi for a while and see how he gets on.

We should have to get the Chinese Government to agree to the appointment (otherwise the officer in question would find himself in a very difficult position, as was the case in the early days at Kashgar and Chengtu) but that should not be difficult if the Russians still have a Consul there.

Although you did not ask for my observations, I thought the above general comments on the question might be useful to you and help keep the details in their proper perspective.

Yours ever,
MILES W. LAMPSON

CHAPTER IV

Situation following Chinese defeat in Jehol: Tangku Truce Agreement of May 31, 1933 April 1–June 3, 1933

No. 477

*Sir M. Lampson (Peking) to Sir J. Simon (Received April 1, 5.10 p.m.)
No. 273 Telegraphic: by wireless [F 2137/18/10]*

PEKING, April 1, 1933

Following received from Mission No. 132 of March 30th (begins):

Confidential

Tokyo telegram No. 89 to Foreign Office.¹

Minister for Foreign Affairs informed this morning that they were not going to allow themselves to become entangled with Yoshizawa who they were convinced was coming on what was virtually an official or at any rate inspired mission. They were going to exercise utmost caution in dealing with him. We might rest assured that having placed themselves in the hands of the League they would not consent to direct negotiations behind the League's back.² Minister for Foreign Affairs anticipated a pause of a few months in Japanese activities other than diplomatic. If at the end of that period Japanese diplomacy failed to produce direct negotiations we might expect a renewal of their aggressive tactics in China. Such aggression would naturally be resisted whenever it occurred.

¹ No. 469.

² In minutes attached to this telegram Mr. Orde remarked on April 3 that 'In the third sentence of this tel. the M.F.A. is indulging in characteristic Chinese make-believe. I am afraid that advice to the Chinese to adopt a realist attitude and come to terms will probably be thrown away. . . . Nevertheless I hope Sir M. Lampson will find the opportunity to continue to give the advice—unofficially—as he has begun to do (see his tels. No. 232 and 233) [Nos. 461 and 463].' Sir V. Wellesley and Sir R. Vansittart both agreed on April 3 that nothing could be done beyond what Sir M. Lampson was already doing.

No. 478

Sir J. Simon to Sir M. Lampson (Peking)

No. 144 Telegraphic [F 2139/18/10]

FOREIGN OFFICE, *April 3, 1933, 7.5 p.m.*

Your telegram No. 277¹ (of April 1st. Removal of double track of railway line near Chinwangtao).

Chinese Engineering and Mining Company² are much perturbed at effect on their business if railway is reduced to a single track. They do not wish to incur hostility and suspicion by protesting but would be glad if it were found possible to dissuade the Chinese from taking the step.

It is obviously a delicate matter, as step is no doubt being taken for strategic reasons, but for that very reason it is provocative to the Japanese and you may be able to exercise unofficial influence against it.

I understand that sections east of Chinwangtao and west of Kuyeh are not of practical importance to company but Kuyeh to Chinwangtao is vital.

¹ In this telegram (received at 8 p.m. on April 1, not printed) Sir M. Lampson said that the Kailan Mining Administration's agent at Chinwangtao had reported that there was 'no indication there of more aggressiveness on either side', that railway gangs were lifting rails east of Chinwangtao, and a contractor had been engaged 'to lift double track of rails between Chinwangtao and Changli' the following week.

² This British company was the dominant partner in the Kailan Mining Administration.

No. 479

Sir M. Lampson (Peking) to Sir J. Simon (Received April 3, 5.30 p.m.)

No. 279 Telegraphic: by wireless [F 2167/18/10]

PEKING, *April 3, 1933*

Following received from Tientsin telegram No. 59 of April 1st.

Begins:—

Kailan mining agent Chingwangtao reports that Shihmenchai was occupied this morning by Kuantung army on the ground that numerous volunteers based on that place had been causing trouble in the passes.

It is stated that provided Chinese volunteers and irregulars are not aggressive Kuantung army will not move further west.¹

¹ In the immediately preceding telegram from Tientsin, No. 58 of April 1 (repeated to the Foreign Office in Peking telegram No. 278 of April 3), the Kailan Mining agent reported that the 'Japanese assert that the trouble is between Chinese regulars and volunteers and that no Japanese are west of the wall'.

Sir M. Lampson (Peking) to Sir J. Simon (Received April 3, 7.36 p.m.)
No. 282 Telegraphic: by wireless [F 2182/18/10]

PEKING, April 3, 1933

Military attaché reports:—

Confidential

Vice Minister for Foreign Affairs urgently requested me to call on him on the morning April 1st and expressed his grave anxiety at Japanese advance inside the great wall at Chiumenkou stating he feared their objective was firstly Shihmenchai and later Chinwangtao. He gave the impression that the Chinese were anxious to avoid friction in this sector and were withdrawing regular troops from Shihho line. As he asked my opinion, I replied I could see no military reason for wishing to attack Chinwangtao in this way and regarded it a purely local operation to disengage Yihyuankou salient where volunteers were probably creating disorder.

Vice Minister for Foreign Affairs informed me that the Chinese were considering withdrawing all troops behind Tangho three miles west of Chinwangtao and asked if I thought the Japanese would follow them up. I replied that this seemed the solution which the Japanese had stressed after the Shanhaikuan incident namely the creation of a neutral zone to avoid incidents.

Final impression was that the Chinese were anxious to avoid further fighting in the North and would gladly come to terms if it could be effected without too much loss of face.

Repeated to Commander in Chief, Mission, Tientsin for Brigadier.

No. 481

Sir M. Lampson (Peking) to Sir J. Simon (Received April 4)¹
No. 287 Telegraphic: by wireless [F 2240/43/10]

PEKING, April 4, 1933

Following received from Harbin April 1st. Begins.

Addressed to Peking No. 10 and by post to Mukden and Dairen.

Conference which opened here March 28th between Japanese Representatives of Department of Communications of Manchurian Government and Soviet directors of Chinese Eastern Railway, at which *inter alia* question of return of . . .² and rolling stock removed into Soviet territory was discussed, threatened to lead to drastic action by Manchurian Government who peremptorily demanded compliance with their terms.³

¹ The time of receipt is not recorded.

² The text is here uncertain: presumably it should read 'locomotives', see note 3.

³ In Moscow telegram No. 287 of April 16 to the Foreign Office Mr. Strang reported that the Soviet press was showing considerable disquiet about the situation on the Chinese Eastern railway and said that, in a long comment that day, 'Izvestia discusses the origin of ownership of the locomotives and somewhat weakly defends their diversion to Soviet territory. At the same time Japanese officials are accused of deliberate participation in an anti-Soviet campaign directed against Chinese Eastern Railway.'

Latest information is that situation has been eased by Soviet Government agreeing to principal demands.

No. 482

Sir M. Lampson (Peking) to Sir J. Simon (Received April 4, 8 p.m.)

No. 289 Telegraphic: by wireless [F 2216/18/10]

PEKING, April 4, 1933

Following received from Mukden No. 56 of April 2nd.

Begins:

Heavy fighting continues at Lengkou where Chinese troops apparently hold very advantageous positions.

Unofficial Manchurian reports claim capture of Fengning and rout of Tang Yu-lin's forces but Chinese reports deny this.

No. 483

Sir M. Lampson (Peking) to Sir J. Simon (Received April 4, 4.25 p.m.)

No. 290 Telegraphic: by wireless [F 2212/18/10]

PEKING, April 4, 1933

Military Attaché reports (begins):

Chinese regular troops consisting of third cavalry division have been withdrawn west of Tangho and their outposts are in Haiyang and Pingshanying north-west of Chinwangtao.

One brigade of 25th division has been withdrawn from Miyunhsien to Peking. This looks as if Chinese were endeavouring to avoid further friction along the great wall.

Repeated to Commander-in-Chief, General Officer Commanding and Mission.

No. 484

Sir M. Lampson (Peking) to Sir J. Simon (Received April 4)¹

Nos. 291 and 292 Telegraphic: by wireless [F 2217/18/10]

PEKING, April 4, 1933

His Majesty's Consul-General, Tientsin, reports that he learns that as a result of Boothby's representations Ministry of Railways asked Pekin-Mukden railway directorate to report on proposed lifting of double tracks and relaying between Lutai and Yangtsun. Latter replied they were acting under instructions of higher military command and had no option but to proceed with the work according to plan.

¹ The time of receipt is not recorded.

No doubt this alteration of track which is almost certainly strategic is due to recent Japanese protests about use of the line at Tongku for carriage of Chinese troops² and is to ensure means of communication remote from the sea and thus not so open to attack or liable to be blocked from the sea.

Repeated to General Officer Commanding and Commander-in-Chief, Mission, Tientsin No. 56.

² See No. 418.

No. 485

Sir M. Lampson (Peking) to Sir J. Simon (Received April 4, 6 p.m.)

No. 293 Telegraphic: by wireless [F 2199/18/10]

PEKING, April 4, 1933

Following received from Tientsin No. 61 of April 3rd.

Begins:

Kailan mining Chingwangtao agent arrived here this morning. He has no information regarding alleged Japanese request to Chinese to remove all defensive works at Chingwangtao nor has he or Nathan had any communication from Chinese that in the case of hostilities near Chingwangtao Chinese authorities will not accept any responsibility.

According to above mentioned agent statements published in *Peking and Tientsin Times* of April 3rd emanating from Nippon Dempo, Rengo and Asiatic News agencies on fighting at and around Shanhaikuan and on matters referred to in preceding paragraphs are to best of his knowledge either entirely untrue or grossly exaggerated.

No. 486

Sir M. Lampson (Peking) to Sir J. Simon (Received April 4, 7.30 p.m.)

No. 298 Telegraphic: by wireless [F 2218/18/10]

PEKING, April 4, 1933

Following received from Tientsin No. 62, April 4th. Begins:

Kailan Mining Agent at Chinwangtao reports April 3rd he received from General Hokuo¹ message to the following effect:

1. In spite of repeated declarations that they would not advance beyond the Wall Japanese have on pretext of clearing out volunteers advanced to Shihmenchai. In order to maintain peace east of Luan River, General Hokuo has reorganised volunteers and sent them to the rear. In order to avoid aggravating the situation General Hokuo has withdrawn his troops to Haiyangchen, Fenchiatien, Wangchiawang and Chinwangtao with no intention of staging a counter attack on Shihmenchai. Responsibility for any

¹ i.e. General Ho Chu-kuo, Chinese Commander in the Shanhaikuan area.

further advance on the part of Japanese or Manchukuo armies will rest with them.²

According to report from a staff officer 115th Division of Japanese or Manchukuo troops are now at Hsiao-chiakong, Chengchiakow, Tsaishihpolu, Chaochuan, Yangchang and Hanchuan but Japanese at Chinwangtao deny that they have gone so far.

Until 5 p.m. April 3rd firing from direction of Haiyang was practically continuous.

According to surveyor of Lloyds³ who has just come from Hulutao Japanese are very active at Chienso where they are establishing an air base and accumulating stores.⁴

² The British Commander, Tientsin Area, reported on April 4: 'Japanese military in Tientsin state General Hochu is unable to control his troops who persistently fire at Japanese, that this is reason for taking of Shihmenchai and for other incidents near Chinwangtao the reports of which are greatly exaggerated. They point out Great Wall was constructed to resist attacks from outside and is not suitable tactically for resistance to attacks from inside.

³ The well-known London society of underwriters.

⁴ In a minute of April 6 Mr. Orde wrote: 'I feel doubtful as to whether we should not ask the Japanese why this advance is being made in view of their assurances that there would be no advance south of the Wall in the absence of Chinese provocation.' Sir V. Wellesley minuted on the same day: 'I feel no doubt at all. I think we ought certainly to ask although the result may be a foregone conclusion—viz. nil.' Sir R. Vansittart added: 'I agree. R. V. April 6.' Sir J. Simon's initials were, however, not added until ten days later, on Easter Monday—'J. S. 16/4'. See No. 512 below.

No. 487

Sir M. Lampson (Peking) to Sir J. Simon (Received April 4, 8 p.m.)

No. 299 Telegraphic: by wireless [F 2211/18/10]

PEKING, April 4, 1933

Following received from Tientsin No. 63 April 4th.

Begins:

Kailan mining agent Chinwangtao reports Japanese forces operating from Shihmenchai have advanced to the vicinity of Haiyang, communication with which place has been cut. Continual firing of opposing forces is obviously coming closer to Chinwangtao. Chinese troops at latter place about 500 in number appear to be ready for early departure. There is considerable aerial activity on the part of Japanese.

No. 488

Sir M. Lampson (Peking) to Sir J. Simon (Received April 5, 6 p.m.)

No. 301 Telegraphic: by wireless [F 2245/176/10]

PEKING, April 5, 1933

Your telegram No. 144.¹

I have instructed Mr. Ingram to make friendly and unofficial representations to Minister for Foreign Affairs with regard to proposed reduction of

¹ No. 478.

track to a single line pointing out damage which will be done thereby to British interests and expressing the hope that means may be found of not disturbing double track on which Kailan coal traffic depends.

No. 489

Sir F. Lindley (Tokyo) to Sir J. Simon (Received April 6, 9.30 a.m.)

No. 93 Telegraphic [F 2246/18/10]

TOKYO, April 6, 1933, 12.41 a.m.

My telegram No. 89.¹

Minister for Foreign Affairs informed me last night with roars of laughter that Mr. Yoshizawa had failed to get into touch with any Chinese [of influence].²

Repeated to Peking.

¹ No. 469.

² These two words were in the fuller report of Sir F. Lindley's conversation with Count Uchida on April 5, in Tokyo despatch No. 209 of April 10 (received May 12). Sir F. Lindley wrote therein: 'Count Uchida's whole tone led me to doubt whether Mr. Yoshizawa had gone to China with any mission; and I am inclined to think that the visit is his own idea and that he had merely got the Foreign Minister's sanction to make it. He may well have thought that, after having been Minister at Peking for a good many years, he would be able to resume friendly relations with his old friends and possibly initiate some form of negotiation.' Mr. Allen minuted on April 6: 'The Japanese must be very upset—their laughter is always a sign of nervousness. R. Allen 6/4.'

No. 490

Sir M. Lampson (Peking) to Sir J. Simon (Received April 6, 6 p.m.)

No. 305 Telegraphic: by wireless [F 2314/18/10]

PEKING, April 6, 1933

Vice Minister for Foreign Affairs called April 6th to discuss situation around Chinwangtao. I found some difficulty in fathoming exactly what he was after but it appeared to be wish to emphasize awkward predicament of Kailan Mining Administration if through Japanese advance on Chinwangtao or westward to Tangku or even¹ Lan River, rail transport from Company's mines to their port of export at Chinwangtao were broken. I was guarded and non-committal in my observations merely emphasizing my oft expressed warning that Chinese authorities should be careful not to provide any pretext for Japanese extension.

2. Vice Minister for Foreign Affairs suggested that Japan might aim at seizing country up to Lanho in order to use that river as a means of communication with Jehol province. This is the first time I have heard this suggested.

Repeated to Mission and Tokyo.

¹ It was suggested on the filed copy that the text here should read: 'or at any rate'.

No. 491

Sir M. Lampson (Peking) to Vice-Admiral Sir F. Dreyer¹
No. 189² Telegraphic [F 2304/18/10]

PEKING, April 6, 1933

Your telegram No. 159.³

The more we can keep out of this business the better and I am not prepared to countenance our being associated with any protest without instruction from His Majesty's Government.

Kailan Mining Administration own wharf at Chinwangtao and are therefore entitled to make charges for use thereof. But these rights are limited to private ownership.

Chinwangtao is an open port and one of the recognized ports of entry into North China where foreign troops are stationed under the Treaty.⁴ And apart from agreement⁵ I doubt its being within the power of Kailan Mining Administration to deny its use to armed forces of Japan if they should wish to do so. I am suggesting to British General (? Manager) that he should, if necessity arises adopt (amiable?) attitude, yielding to force majeure in a matter beyond his competence.⁶

Repeated to Foreign Office, Tientsin and Mission.

¹ Commander-in-Chief, China Station, in succession to Admiral Sir H. Kelly.

² Repeated by wireless as No. 306 to the Foreign Office (received April 6, 6 p.m.).

³ A note of April 10 by Mr. Allen reads: 'The Commander-in-Chief's telegram No. 159 is clearly that containing the enquiry referred to in the second paragraph of Peking telegram No. 307 [No. 492 below].'

⁴ The reference is to article ix of the Final Protocol of Peking of September 7, 1901; cf. Nos. 187 and 188.

⁵ Of December 2, 1905; see No. 492 below.

⁶ Sir M. Lampson's advice to the General Manager was approved in Foreign Office telegram No. 153 of April 12.

No. 492

Sir M. Lampson (Peking) to Sir J. Simon (Received April 7, 6 p.m.)
No. 307 Telegraphic: by wireless [F 2329/18/10]

PEKING, April 6, 1933

Mr. Holman's telegram No. 73.¹

Subsequent to telegram under reference Japanese Chief of Staff has drawn Mr. Nathan's attention to agreement of December 2nd 1905 between Kailan Mining Administration and Japanese (see my despatch 171² now on its way).

¹ This Peking telegram of January 24 repeated to the Foreign Office Tientsin telegram No. 27 to Peking in which H.M. Consul-General reported that, in order to safeguard the Kailan Mining Administration from 'a charge of unneutral conduct on the part of the Chinese Government', he had advised the Administration not to grant a Japanese merchant the permission he had requested to berth at their wharf to unload military stores.

² Received March 23, not printed.

Under this agreement Company engages to facilitate access of wharf at Chinwangtao to Japanese men-of-war and transports of Japanese government and will accord all practicable facilities for landing or shipping at wharf all materials and supplies destined for military and naval forces of Japan or for Japanese civil authorities. Facility of access to wharf is also accorded to Japanese merchant ships. I understand similar agreements were drawn up at the time with British, French, Germans and Russians.³

2. Commander-in-Chief has now requested my views whether protest should be made in the light of this agreement in the event of Japanese men-of-war using the wharfs at Chinwangtao which all belong to Kailan. For my reply see my telegram No. 189⁴ to the Commander-in-Chief.

³ This matter was first raised in the Foreign Office on the receipt on March 2 of a copy of telegram No. 493 of February 28 from the C.-in-C., China station, to the Admiralty summarizing the terms of the 1905 Agreement as in the telegram above. It was extensively minuted in the Far Eastern department where Mr. Orde commented on March 10: 'We can only treat the matter on a basis of expediency, I imagine, if it develops further.' A minute by Mr. G. G. Fitzmaurice (Third Legal Adviser) concluded: 'If companies like to enter into agreements which are almost necessarily in violation of local law, they do so at their own risk and cannot expect the protection of their Government if the local authorities should take steps to prevent the contract being carried out. G. G. Fitzmaurice 8th March, 1933.'

⁴ No. 491.

No. 493

Sir M. Lampson (Peking) to Sir J. Simon (Received May 30)

No. 442 [F 3597/18/10]

PEKING, April 6, 1933

His Majesty's Minister, Peking, presents his compliments to His Majesty's Principal Secretary of State for Foreign Affairs, and transmits herewith original & one copy of the undermentioned paper.

<i>Name and Date</i>	<i>Subject</i>
From Military Attaché	Jehol.
Report No. II of 2.4.33.	Reports on military operations.

ENCLOSURE IN No. 493

Secret

SUBJECT:—*Sino-Japanese operations in JEHO—military operations since the occupation of CHENGTEHFU*

From:—The Military Attaché, H.M. Legation, Peking.

Report II

PEKING, April 2, 1933

Sir,

I have the honour to submit herewith the following report on military operations since the occupation of Chengtehfu.

1. The campaign in Jehol virtually ended with the resignation of Marshal Chang Hsueh-liang¹ when the Chinese troops fled in disorder in all direc-

¹ See No. 439.

tions. The Japanese having broken their main resistance with consummate ease and practically no losses then proceeded to follow them leisurely in the hopes that they would withdraw voluntarily beyond the wall. Although very little information of this stage of the proceedings is obtainable it appears that the Japanese sent forward small vanguards as police to keep the disorganised Chinese on the move, and that the latter in several instances, realising how weak these patrols were, took courage and attacked them.

2. After occupying Jehol on the 4th March, the Japanese sent forward their mechanized column to sieze [sic] Kupeik'ou on the 9th. The Chinese 112th Division, which had relieved the 107th, was holding a position across the hills East of the pass, and from the confused accounts of the operations it appears that their centre was pierced by the Japanese armoured force which then seized the town. It is always a mistake in dealing with Chinese to block the only means of exit, and when the main body followed up on the 12th, the Chinese opened fire and offered a considerable amount of resistance. It cost the Japanese about 100 casualties to dislodge them, and they escaped on either side of Kupeik'ou rallying in rear of one of the Southern Divisions, the 25th, which had taken up a defensive position at Nan Tien Ying, two miles West of the town, to prevent any incursion of the enemy into China proper. In the fighting for the pass, this Division, although it was purely on the defensive inside the wall, suffered a good many casualties from aeroplane bombing, and was relieved on 13th March by the 2nd (Southern) Division. Its commander was wounded by a trench mortar bomb dropped from an aeroplane, and it was withdrawn to Mi Yua Hsien to refit.

The bulk of the Chinese forces in Southern Jehol retired through Hsifengk'ou which the Japanese purposely left open to allow the disorganised divisions to escape. The Chinese emboldened by the lack of pressure, and the fact that only a few Japanese were following them up, made a stand and even launched some form of counter-attack. As soon as the situation at Kupeik'ou was cleared up the Japanese despatched reinforcements in lorries and attacked the Chinese positions outside the Wall after a preliminary bombardment. As progress was not satisfactory and casualties were rather heavy, it was decided to dislodge the Chinese by a threat to their communications. On the 20th March a Japanese column crossed the Wall at Lungchingkuan, a few miles West of Hsifengk'ou, and occupied Sha Ho Ch'iao on the main road from Hsifengk'ou to Tsun Hua Chow. This immediately caused the Chinese to withdraw in a south-easterly direction and the Japanese consolidated a defensive position outside the wall.

3. During the last ten days of March there have been continual bickerings along the Wall between Hsifengk'ou and Shanhaikuan, which the Chinese official reports have exaggerated into battles of considerable magnitude. The facts appear to be that the Japanese, having secured the passes, have dug themselves in well outside the Wall itself, and leaving small defensive posts have withdrawn their main bodies to facilitate supply and accommodation. The Chinese accounts of these affairs are grotesque in the extreme and if a few irregulars occupy some place on the Wall purposely abandoned by the

Japanese it is hailed as a victory. One account alleged that a large number of Japanese tanks had been destroyed by a big sword detachment who carved up the tanks with the weapons and massacred the crews.

These reports are probably spread for 'face saving purposes', to make the country believe that since the arrival of the Southern divisions a desperate effort has been made to cling to the last remnants of the lost Provinces. All the evidence, however, goes to prove that the Southern Divisions who have been drafted to the front have carefully refrained from any provocative action. They have adopted defensive positions well outside [*sic*] the Wall, and any friction which has occurred has been caused either by the Volunteers or the ex-Kuominchun² troops of Sun Che-yuan who may have private instructions to create incidents which will further embarrass the Generalissimo.³

4. The Japanese have as far as possible avoided any incursions within the Wall unless obliged to adopt this line to force the Chinese to evacuate the passes. On the 31st March the situation at Yih Yuan K'ou, North of Chinwangtao was so disturbed by the actions of the Volunteers that a column of Japanese and Manchukuo troops emerged from the Chiu Men and struck at Shih Men Chai.⁴ This incident has not yet ended, but the Chinese are extremely apprehensive that it is prelude to an attack on Chinwangtao. There is, however, no reason to suppose that if the Japanese wanted the latter place it could not be occupied by the Navy as they already have a small garrison there which could act as a covering party. Most of the regular Chinese troops in this sector have been withdrawn West of the Luan River⁵ and the Shih Ho line is held only by cavalry, who have instructions not to adopt a provocative attitude. The Chinese are now considering a withdrawal from the Shih to the Tang Ho which will in fact create the neutral zone which the Japanese have always desired around Shanhaikuan.

I have, &c.,

V. R. BURKHARDT

² i.e. The People's Army of N. China, formerly commanded by Marshal Feng Yu-hsiang.

³ i.e. General Chiang Kai-shek.

⁴ Cf. No. 479.

⁵ Cf. No. 483.

No. 494

Sir F. Lindley (Tokyo) to Sir J. Simon (Received April 7, 9.30 a.m.)

No. 94 Telegraphic [F 2283/18/10]

TOKYO, April 7, 1933, 3.40 p.m.

Sir M. Lampson's telegram No. 305.¹

General staff informed Military Attaché this morning that Japanese forces were . . .² of attack by Chinese in the neighbourhood of Shanhaikuan and had decided to clear them out. Japanese would then retire to their

¹ No. 490.

² The text is here uncertain.

original position. Japanese General Staff had not considered possibility of seizing river La(nho?).³

Repeated to Peking for Commander-in-Chief.

³ This telegram was minuted by Mr. Allen and Mr. Orde as follows: 'Col. Miles [a General Staff Officer in the War Office], with whom I spoke to-day, thinks that even if the Japanese capture Chinwangtao this wd. not be of more than local importance. R. Allen 7/4.' 'In one sense, but the Chinese can treat it as "war". C. W. O. 8/4.'

No. 495

Sir J. Simon to Sir M. Lampson (Peking)

No. 149 Telegraphic [F 2280/2202/10]

FOREIGN OFFICE, *April 8, 1933, 4 p.m.*

We are anxious that any increases in duties on cotton textiles on lapse on 16th May of Sino-Japanese Tariff Agreement,¹ should inflict least possible injury on United Kingdom trade. Manchester Chamber urge that on goods subject to ad valorem duties rates should remain unchanged; they also state that following are of special interest—Tariff Nos. 1 (c), 2 (a) (b), 17, 18, 24, 27, 28, 29, 33, 37 (d), 41, 44, 51a (4), (5), 58, 67, 68: also important Nos. 10 and 35; following utmost importance 12 (a) (b), 21 (b) (c), 23 (c). Please sound the ground and if there is reason to anticipate higher duties express to Chinese government hope of His Majesty's Government that no increase be made in duties on these items, especially latter.

Chamber add that in following cases incidence of specific duty high and goods practically non-competitive with native production; they therefore urge reduction to equivalent 10 or 12½ per cent, Nos. 18, 24, 27, 28, 29, 33: also on Nos. 37 (d) and 41 duty should not exceed equivalent 12½ per cent. No. 44 should not in any case exceed 12½ per cent. if increase insisted on. I leave to your discretion whether to suggest reductions to Chinese government, justifying them for example as offset to increases which they may make on other items of small interest to United Kingdom trade. You should bear in mind however that tariff bargaining negotiations with Chinese cannot be contemplated at present.

¹ For the text of the Agreement between China and Japan respecting commercial relations, signed at Nanking on May 6, 1930, and the Exchange of Notes, see *B.F.S.P.*, vol. 133, pp. 209–14.

No. 496

Sir M. Lampson (Peking) to Mr. Ingram (Nanking)

No. 446¹ Telegraphic: by wireless [F 2333/176/10]

PEKING, April 8, 1933

My telegram No. 432.²

I have since been requested by Boothby to make representations on behalf of loan interests also. You should therefore as opportunity serves point out damage to British interests includes impairment of railway earnings on which our loans are secured and of which such large portions have already been misappropriated. Your representations should be made in general terms and I leave details of language to your discretion bearing in mind we are on delicate ground in intervening in this matter.³

Repeated to Foreign Office and Commander-in-Chief Tientsin.

¹ Repeated as No. 315 to the Foreign Office, received on April 8 at 4 p.m.

² A note on the filed copy by Mr. Allen read: 'Peking tel^m No. 432 to Nanking was presumably the tel^m containing Mr. Ingram's instructions to make representations in regard to the reduction of the track of the Peking-Mukden railway'; see No. 488.

³ In his telegram No. 324 of April 11 to the Foreign Office (received 6 p.m.) Sir M. Lampson referred to Nos. 488 and 496 and said that the Minister for Foreign Affairs understood the position 'and is taking up question of obtaining material for new line [i.e. from Yangtsun to Lutai] from other sources'.

No. 497

Sir M. Lampson (Peking) to Sir J. Simon (Received May 25)

No. 472 [F 3500/26/10]

PEKING, April 8, 1933

Sir,

I have the honour to submit the following report on developments in the political situation in China during the past three months since the date of Mr. Ingram's despatch No. 8 of January 1st last.¹

2. The situation of the National Government when I returned from leave at the beginning of the year was as follows. The seat of Government had been transferred back to Nanking. Lin Sen, who had succeeded Chiang Kai-shek as Head of the State, was still in office as Chairman of the Government, while General Chiang remained, as Chairman of the Military Council, in control of the national forces. Wang Ching-wei, though nominally still filling the leading place in the councils of the Government and the Party, was receiving medical treatment in Germany, his absence being partly due to the serious constitutional ailment from which he suffers and partly to his political differences with Chiang Kai-shek and Chang Hsueh-liang. Meanwhile, in his, Wang Ching-wei's absence Mr. T. V. Soong, the versatile and energetic Minister of Finance, was Acting Chairman of the Executive Yuan,

¹ Not printed.

the most important post in, and in fact the executive head of, the Government. Mr. Sun Fo, having become reconciled with Nanking, had at last accepted the presidency of the Legislative Yuan, but had not yet assumed office. And my old friend Dr. Lo Wen-kan was still Minister for Foreign Affairs. In the North, Chang Hsueh-liang had survived the attacks made on him the previous summer by Wang Ching-wei and remained in power at Peking as the *de facto* head of the Peiping Branch Military Council. The military group, of which he was the head, continued to maintain themselves out of the local resources of the territories under their rule and thus remained allied with, rather than controlled by, the National Government. A similar state of affairs existed in the South, under the rule of Marshal Chen Chi-t'ang at Canton and the Kuangsi leaders, except that, lacking the community of personal interest which existed between Chiang Kai-shek and Chang Hsueh-liang, the Cantonese gave only a nominal support to the National Government at Nanking. Strategically situated between Canton and Nanking, the military group known as the 19th Route Army under Chiang Kuang-nai and Tsai T'ing-kai were posted in Fukien with the duty of suppressing the Reds and brigands in that province. The situation in regard to the communists and their spheres of influence or control remained much what it had been when I left China in May 1932, that is to say that a number of so-called Communist Armies were operating in the hinterland regions of certain provinces, notably Fukien, Kiangsi, Hupei, and Honan, where local Soviet Governments had in places been established.

3. The internal situation was at this time, during the early weeks of the year, overshadowed by the renewed crisis with Japan resulting from the Japanese attack on Shanhaikuan and the imminent invasion of Jehol. Superficially China appeared united in the face of the national danger, and the various leaders and factions throughout the country were loud in their protestations of loyalty to the National Government and in offers of military support. In reality, however, as I discovered very vividly for myself during my visit to Canton in January, the personal feud between the Cantonese leaders and Chiang Kai-shek continued unabated, and the position of the Government in relation to the question of policy *vis-à-vis* Japan was a delicate and precarious one. As a practical soldier and the nominal chief of the national forces, General Chiang realised the futility of taking the field against the Japanese Army in North China, which was in any case beyond the sphere of his direct military control, and he remained true to the policy which he had throughout followed of cutting China's losses outside the Wall in order to concentrate on the reorganisation of the internal affairs of the Eighteen Provinces. On the other hand, all the more vocal political elements in the country, and especially in the South—in short the further from the actual front, the more vocal—were clamouring for a policy of active resistance, with the result that popular enthusiasm was worked up to fever-heat over the defence of Jehol. Even the more level-headed civilian leaders in the Government, including the Minister of Finance, were carried away by this popular clamour for military resistance, which became one of the factors

in the increasingly strained relations between Dr. Soong and General Chiang. In these circumstances Marshal Chang Hsueh-liang, to whom, as the responsible local military authority, the defence of the threatened territory was entrusted, found himself in the unenviable position of being thrust into the fray as the leader of the national resistance against the Japanese invasion without having the material support of the Central Government behind him. In fact, the situation had developed along lines perfectly suited to the plans of the Japanese military, in that the Japanese Army were able to fight a side-show campaign against Chang Hsueh-liang's forces in Jehol without reference to the more formidable armies of Nanking.

4. In the latter half of January, Chang Hsueh-liang paid a flying visit to Nanking, it was presumed in order to consult Chiang Kai-shek regarding the military dispositions in the North. Whatever may have passed during this visit, General Chiang, maintaining his attitude of aloofness towards the Jehol situation, proceeded a few days later to Kiangsi, where he remained for some time directing the chronic anti-Communist campaign of the Government forces in that province. After Chang Hsueh-liang's return to Peking, hurried preparations continued in the North for resisting the Japanese invasion of Jehol. The useless local forces of T'ang Yu-lin were reinforced in the threatened province by some of the Young Marshal's own brigades and by the troops of Sun T'ien-ying and Sung Che-yuan, two northern Generals of mixed antecedents now affiliated to the North Eastern military group; and the one so-called motor road leading from Peking to Kupeik'ou and Chengteh, the capital of Jehol, was for days packed with motor cars, carts and camel trains conveying military officers, supplies and munitions to the front. Considerable tension and nervousness prevailed also in Peking, which has had such dire experiences of foreign invasion in the past; and amongst other measures taken at this time was the removal of the bulk of the treasures from the Palace museums to Nanking and Shanghai.

5. The story of the Japanese invasion of Jehol has been fully recorded in separate reports (see my despatches Nos. 338 and 442 of 11th March and 6th April respectively).² It will suffice to recall that the Japanese offensive was launched in the last week of February, that, after much blowing of Chinese trumpets and the theatrical appearance at the front of the Minister of Finance, the defence of Jehol territory by the ill-equipped and disorganised units of the North Eastern Army was utterly inept, and that the Japanese met with little serious resistance in their invasion until they had swept the bulk of the Chinese forces out of the province and reached the gates of the Great Wall.

6. The collapse of the Chinese defence of Jehol dealt the final blow to the prestige of the Young Marshal, who resigned and left Peking on March 11th by air for Shanghai. Chang Hsueh-liang had become ruler of Manchuria by the accident of birth, succeeding his father after the latter's death in 1928, and swimming like the rest of Young China with the tide of Chinese nationalism, had thrown in his lot with the National Government soon

² Nos. 448 and 493 respectively.

after his assumption of power. From this moment the clash with Japan in Manchuria was inevitable; and when it came, in September 1931, the Young Marshal became and remained the helpless victim of circumstances. As a result of the policy of Chiang Kai-shek and the National Government, and the intervention of the League of Nations, no material support was afforded him in resisting the Japanese invasion of Manchuria, and he was if anything encouraged by Nanking to withdraw his forces without fighting. After the Japanese occupation of the Three Eastern Provinces had been completed at the end of 1931, Chang Hsueh-liang's administrations at Peking became the centre, not only for the organisation of the defence of Jehol territory, but also for the supply of munitions and other forms of material support to the bands of Chinese volunteers and insurgents who continued to conduct a guerilla war against the Japanese in Manchuria. For this reason the Japanese had from the outset determined to secure by some means or other the elimination of the Young Marshal, holding, no doubt with reason, that as long as the elements of the former Chinese administrations of the Three Eastern Provinces were established at Peking, they would continue as specially interested parties to promote disaffection against Japanese and Manchukuo rule in Manchuria. China is the land of paradoxes; and the fact that Chang Hsueh-liang was a special thorn in the side of the Japanese did not prevent him from being simultaneously the particular object of attack and suspicion from the side of the Chinese ultra-nationalists in the South on the grounds of his passive attitude towards the Japanese invasion of Manchuria.

7. Ever since he had thrown in his lot with Nanking at the end of 1928, Chang Hsueh-liang's loyalty to the Nationalist Government, and more especially to Chiang Kai-shek, had exercised a stabilising influence in keeping the North to its allegiance to Nanking, a factor which was emphasised at the time of Yen Hsi-shan's rebellion in the summer of 1930,³ when the Young Marshal's dramatic intervention had saved the situation for the National Government. From these events had flowed the enmity of Wang Ching-wei, then in the rebel camp, towards Chang Hsueh-liang, as well as the co-operation between the Young Marshal and General Chiang, on which the maintenance of peace and order in the North had since largely depended. On March 10th, the eve of his departure from Peking, Chang Hsueh-liang issued through Reuter's Agency the following *apologia* in English explaining his position and giving the reasons for his resignation:—⁴

'Both my late father and myself have always been vigilant upholders of Chinese sovereign rights in the three Eastern Provinces and for this my father paid the penalty with his life.

'Upon my assumption of office my one aim was, and has been since, to support a strong National Government to unify China. On this account, and despite the open threats of the Japanese Government, I ordered the new national flag to be hoisted in Manchuria, and when the National Government was formed I fostered the growth of the Kuomin-Tang in that

³ Cf. Volume VIII, Nos. 258, 278, 290 and 305.

⁴ Cf. No. 448, paragraph 13.

territory. Again in 1930, when various elements formed a new government at Peiping with the object of breaking away from the Central Government, I acted upon instructions of the Central Government and ordered my troops to enter the Great Wall to drive them out and reunify the country, it being my fervent belief that only a strong Central Government could protect the country from foreign aggression.

'When the Japanese began to seize Manchuria on September 18, 1931, I was also of the belief that, through the League of Nations, China could eventually get international justice. But when the Central Government gave me orders to defend Jehol I did so with all my ability. In the short campaign several thousand of my soldiers were killed and wounded, and whatever its success or failure, I have done my best. Events have now turned out which lead me, after consultation with General Chiang Kai-shek, definitely to believe that my resignation at this moment would be a service to the Central Government and thereby strengthen it.

'I have only one request to make to the Central Government, which General Chiang Kai-shek has consented to, that is that no discrimination shall be shown against the troops who followed me from the North East on the orders of the Central Government, who are now homeless and without whom the recovery of Manchuria, their home territory, will be difficult to realise.

'In thus leaving, I hope my countrymen will believe the sincerity of my motives for doing so and will realise that, whatever be my faults of commission or omission, I have striven to work for the welfare of the country to the best of my lights.'

Since his departure from Peking Chang Hsueh-liang has been in Shanghai, whence, according to his present plans, he will sail for Europe on April 11th.

8. Although Chiang Kai-shek had refrained from becoming involved in the defence of Jehol, the pressure of public opinion after the successful Japanese invasion of the province made it impossible for him to continue to disregard the situation in the North, where developments were moreover occurring which afforded him the opportunity, perhaps long awaited, of taking a hand in the game. Accordingly General Chiang, having returned to Nanking from Kiangsi, left the capital early in March by train for the North. Instead, however, of going to Tientsin and Peking, he proceeded *via* Hsüchow and Chengchow and the Peking-Hankow railway to Paotingfu, where he established his headquarters in his military train. In the meantime he had also moved up two of the Central Government divisions from Honan into Hopei, where they took up positions covering Peking.

9. Arrived at Paotingfu General Chiang wasted no time in taking charge of the situation. His first step was to deal with the resignation of the Young Marshal who visited him at his headquarters immediately after his arrival; and it was following these deliberations that Chang Hsueh-liang's resignation was accepted. The next move was to arrange for a successor, and in this respect plans were already laid. The Minister of War, General Ho Ying-

ch'in, one of Chiang Kai-shek's most trusted supporters, had arrived in Peking early in March, ostensibly to discuss the military situation with the Northern leaders; and General Ho was now appointed to be the head of the Peiping Branch Military Council in the place of Chang Hsueh-liang. In this way control over the military situation in the North was assumed by Nanking for the first time since the establishment of the National Government.

10. Chiang Kai-shek remained until the end of March at Paotingfu, which became for the time being the centre of governmental activity. Amongst the Chinese Ministers and political and military leaders who visited the Generalissimo there at this time were the Ministers of Finance and Foreign Affairs, Chiang Tso-pin (the Chinese Minister at Tokyo), C. T. Wang, H. H. Kung, Han Fu-ch'u, and the leading Northern Generals. Marshal Yen Hsi-shan also came down from Shansi and met General Chiang at Shihchiachuang. On March 24th Chiang Kai-shek paid a flying visit to Peking where he conferred with the local military commanders.

11. The exodus of the defeated Chinese troops from Jehol province was in full swing by the beginning of March, but during the next few days some attempts at resistance were made in and around the gates in the Wall where the mountain defiles debouch on to the plain, notably, at Kupeik'ou, on the main road from Peking to Jehol, at Hsifengk'ou, on the Lan River and at Chiehlingk'ou further east. Some stubborn fighting took place at this time and it became a question whether the Japanese would not decide to come inside the Wall in order to take the Chinese in the rear, which would probably have involved operations for the occupation of Tientsin and Peking. It was in fact reported that three Japanese divisions had been earmarked for this purpose and were under orders for embarkation to Tientsin. According to the same reports, the tension was, however, relieved by the resignation and departure from Peking of Chang Hsueh-liang; since the Japanese were understood to hold the view, probably with reason, that with Chiang Kai-shek in control of the military situation in the North, no serious attempts would be made by the Chinese forces to enter the lost territory beyond the Wall.

12. Kupeik'ou was finally occupied about March 10th after severe fighting, and on March 12th, after Chang Hsueh-liang's departure from Peking, the Japanese Military authorities at Mukden announced that the operations in Jehol had been completed and that the Japanese forces would now confine themselves to clearing the province of Chinese troops and guarding the line of the Wall, thus intimating that they would not penetrate beyond. Hostilities were, however, not yet at an end, and some particularly severe fighting now ensued round Hsifengk'ou, where the troops of Sung Che-yuan's command lost heavily in seemingly purposeless attacks on the Japanese positions. The reports concerning these hostilities were obscure and contradictory and there were renewed scares and rumours of Japanese intentions to invade Hopei. On March 16th the Japanese Military Authorities announced that the continued hostile activities of the Chinese along the line of the Wall were causing anxiety and that further action might be necessary. Finally, professing to have lost patience with the provocative attacks of the Chinese, the

Japanese apparently decided to drive the latter away from the neighbourhood of their lines. Towards the end of March it was reported that Japanese and Manchoukuo troops were operating inside the Wall and by April 1st they had occupied Shahoch'iao and Shihmenchai, points some miles inside Hsifengk'ou and Chümenk'ou respectively, the object being, it seems, in both cases to disengage salients in the line of the Wall where the Chinese troops were in too close contact with the Japanese positions. On the Shanhaikuan front the Chinese thereupon withdrew from the Shaho to the neighbourhood of Chinwangtao, finally occupying the line of the T'angho, west of the latter town.

13. This was the military situation at the beginning of April. The conquest of Jehol had been completed and the Chinese defence forces had been driven out and in places pushed back beyond the line even of the Great Wall. Meanwhile the Japanese, having achieved their immediate aims, i.e. the rounding-off of the conquest of Manchuria by the occupation of Jehol, and desiring no doubt to consolidate their gains, had put out peace feelers in various direct and indirect ways, suggesting to the Chinese the desirability of negotiating a settlement and letting bygones be bygones. These advances had, however, met with no response, and the Minister for Foreign Affairs, when in Peking in the middle of March, made a point of informing the Foreign Representatives that there was no truth whatsoever in the reports of negotiations with the Japanese, and that China, having placed her case in the hands of the League, would under no circumstances enter into direct negotiations with Japan. In making these statements Dr. Lo's object appeared in part to be to emphasise that China in resisting the Japanese invasion in Jehol had been carrying out the policy laid down for her by the League of Nations and had in fact been acting as the League's agent under the resolution of February 24th.⁵

14. It was at this time towards the end of March, that Mr. Yoshizawa left Tokyo on his mysterious mission to China.⁶ I gather that, after staying a few days in Shanghai and finding that he was not likely to be received in Nanking he is now on his way to North China.

15. It is difficult to say what the plans and policies, if any, of the Chinese Government at this time really were. Certainly they did not, for internal reasons, dare contemplate any form of negotiations, however much they may secretly have desired to fall in with the Japanese proposals for a neutral zone along (meaning a Chinese withdrawal from) the line of the Great Wall. From a reliable Chinese source I gathered that Chiang Kai-shek's policy was to take no steps to recover the lost territory beyond the Wall but to hold the area to the South of it in sufficient strength to discourage the Japanese from extending the area of their invasion. Whatever the facts of the case may have been, and whether the Japanese have been planning further aggression, or whether, as they allege, the Chinese have been provoking them by futile local attacks, hostilities have since the beginning of the present month continued inside the Wall between Shanhaikuan and Chin-

⁵ Cf. No. 457.

⁶ Cf. No. 469.

wangtao, so that, at the time of writing, it appears to be a question whether the Japanese will not advance and occupy the latter port. There have also been ominous references to the line of the Lan River, which previous Chinese Manchurian administrations have found to form a useful frontier.

16. To revert to the Chinese military situation in North China, Ho Ying-ch'in assumed office as Chairman of the Peiping Branch Military Council on March 12th taking over the staff and organisation of Chang Hsueh-liang's North Eastern Army, the former Manchurian Army of Chang Tso-lin, which had for so many years held the balance of power in North China and which, after being expelled by the Japanese from the Three Eastern Provinces, had since maintained itself in the Peking-Tientsin area. The forces thus nominally taken over by General Ho also included those of the various generals who had been associated with the Young Marshal in the defence of Jehol, including Shang Chen and Sung Che-yuan, whose troops were then still in contact with the Japanese along the line of the Wall. Whether the control over North China thus assumed by the National Government is going to be effective remains to be seen. Ho Ying-ch'in is certainly faced with a formidable task in the reorganisation and control of the heterogeneous collection now in North China belonging to the commands of generals formerly associated with the Kuominchun, Mukden and Shansi factions. Moreover, in his rear in Shantung General Han Fu-ch'u, the chairman of the Provincial Government, remains a doubtful factor, while in Shansi Marshal Yen Hsi-shan is again a power to be reckoned with. Marshal Feng Yu-hsiang is still at Kalgan, whence from time to time he issues political statements declaring his willingness to support Chiang Kai-shek and the National Government provided they are sincere in their determination to resist Japanese aggression. Marshal Feng is nominally without military authority and has no troops actually under his command, but his influence remains an imponderable factor in the internal situation. No more has recently been heard of the rumours which were prevalent at the beginning of the year, concerning the activities of the pro-Japanese Anfu faction. In the middle of January the veteran Anfu chief, Tuan Ch'i-jui, left Tientsin for Shanghai via Nanking,⁷ where he received every mark of consideration. Since then he is reported to have fallen sick in Shanghai.

17. As regards the activities of the National Government at Nanking during the period under review, Sun Fo assumed office as head of the Legislative Yuan on January 16 and has since been made Chairman of the Committee which, in the turmoil of warlike events, is engaged in drafting yet another Constitution for China. Two prominent figures have recently returned from temporary exile abroad. On March 17th Wang Ching-wei arrived back in Shanghai from Europe, having interrupted his cure in Germany on account of the renewed crisis with Japan. At first it was reported that he had refused to resume his post as the head of the Executive Yuan, but it is understood that he has since agreed to participate in the Government.

⁷ Cf. No. 287.

Early in February Eugene Chen⁸ also returned to Shanghai, where he has been busy issuing statements in his customary flamboyant style concerning national policy in the conflict with Japan.

18. Chiang Kai-shek left the North at the end of March to return to Nanking where he met and conferred with Wang Ching-wei, Sun Fo, T. V. Soong, and other political leaders. The outcome of these conferences is not yet fully known, but it is reported that it was, *inter alia*, decided to call a special Kuomintang Congress on July 1st to consider the new Constitution. General Chiang has since proceeded again to Kiangsi, where the Government troops are reported to be once more hard pressed by the communist armies. Rumours, which I quote with all reserve, are current that the Generalissimo's preoccupations on the Yangtze are not concerned with the Communists alone but that the much-talked-of Cantonese preparations for a military expedition to be sent North overland to fight the Japanese are in reality directed against Chiang Kai-shek himself.

19. It remains to record that, in accordance with the arrangements made for the resumption of Sino-Russian relations, Dr. W. W. Yen arrived in Moscow early in March and has since, according to local news telegrams, presented his credentials as Chinese Ambassador to the Union of Soviet Socialist Republics. The new Russian Ambassador to China is reported to be on his way to Shanghai.

I have, &c.,

MILES W. LAMPSON

⁸ Mr. Eugene Chen had resigned his position as Minister for Foreign Affairs in the National Government at Nanking in January 1932; cf. Volume IX, Nos. 126 and 149.

No. 498

Sir F. Lindley (Tokyo) to Sir J. Simon (Received April 10, 9.30 a.m.)

No. 96 Telegraphic [F 2336/43/10]

Confidential.

TOKYO, April 10, 1933, 2.42 p.m.

I learn from a sure and highly confidential source that important French interests have signed contract with South Manchurian Railway under which latter undertake to give former share of all future orders.

No. 499

Sir J. Simon to Sir F. Lindley (Tokyo)

No. 90 Telegraphic [F 2335/1203/23]

FOREIGN OFFICE, *April 10, 1933, 3.30 p.m.*

Your telegram No. 60¹ (of 13th March: Japanese trade competition).

Government of India have requested that notice of denunciation of Commercial Convention² be given at once. Note is being addressed to Japanese Ambassador accordingly today. In accordance with Article IV of Convention denunciation will take effect on 10th October next.

¹ The reference appears to be to Tokyo telegram No. 76 of March 13 (No. 453) which referred to Tokyo telegram No. 60 of March 2 (see *ibid.*, note 1).

² For the text of the Convention between Great Britain and Japan, respecting commercial relations between Japan and India, signed at Tokyo on August 29, 1904, see *B.F.S.P.*, vol. 97, pp. 58-59.

No. 500

Sir M. Lampson (Peking) to Sir J. Simon (Received April 12, 6 p.m.)

No. 338 Telegraphic: by wireless [F 2435/18/10]

PEKING, *April 12, 1933*

Military Attaché reports:

Fighting in Chinwangtao sector ceased on April 7th with retirement of pro Manchukuo troops from Haiyang¹ when their retreat was threatened by advance of Chinese cavalry between that place and Chinwangtao. Very little real fighting seems to have occurred and after occupation of Shihmenchai Japanese only assisted with aeroplanes.² Much ammunition was expended on both sides with practically no results. During the last 2 days there has been considerable skirmishing at Hsifengkow Chiehlingkow and Lengkow which may develop into small offensive on the part of Japanese to clear Chinese troops in contact with their posts along the Wall.

Repeated to General Officer Commanding, Commander-in-Chief, Tientsin and Mission.

¹ Mukden telegram No. 59 of April 11 to Peking (repeated to the Foreign Office in Peking telegram No. 335 of April 12) said that 'recent occupation of Haiyanchen and attempts to secure possession of Chinwangtao are attributed to "pro Manchukuo volunteers" whose composition is however undefined and undiscoverable'.

² See No. 486. In his report transmitted to the Foreign Office in Peking telegram No. 319 of April 10, the Military Attaché had said that 'the Japanese battalions remained in possession [of Shihmenchai] but Manchukuo troops pursued the enemy to the Tang river and captured Haiyang driving out third cavalry division'.

No. 501

Sir F. Lindley (Tokyo) to Sir J. Simon (Received April 13, 11 a.m.)
Nos. 100 and 101 Telegraphic [F 2439/33/10]

TOKYO, April 13, 1933, 4.30 p.m.

At farewell visit¹ I impressed on Minister for Foreign Affairs necessity for avoiding any complications in China proper. Minister for Foreign Affairs replied that it was principal object of Japanese Government to do so but that he was getting anxious as to effects of boycott which had recently been enforced with renewed intensity. The reports he received from Japanese Consul were disquieting and public opinion was getting more and more irritated. He was afraid of some serious incident unless the matter improved.

I have never believed in Japanese sitting down under boycott which gave rise to Shanghai incident.² That incident practically put an end to boycott until Resolution of the League³ gave fresh encouragement to Chinese.

Chinese are playing a very dangerous game which may well imperil important British interests.

Repeated to Peking.

¹ Sir F. Lindley was shortly going on leave of absence.

² Of January 28/29, 1932; see Volume IX, Chapters II and III.

³ A reference presumably to the acceptance by the League of Nations Assembly on February 24, 1933, of the Report of the Committee of Nineteen on the Sino-Japanese dispute (cf. No. 365). For the conclusion therein relating to the boycott, see Nos. 261, 279, 322 and 374, paragraph 6.

No. 502

Sir M. Lampson (Peking) to Sir J. Simon (Received April 13, 5.35 p.m.)
No. 341 Telegraphic: by wireless [F 2445/33/10]

Confidential.

PEKING, April 13, 1933

Mr. Yoshizawa arrived Peking April 11th and leaves April 13th for Manchuria.

2. In long and intimate conversation he agreed that at present time there was no possibility whatever of any compromise discussions with China over Manchurian issue.

3. I told him the language I had consistently been holding to Chinese of late was that there should be tacit leaving of Manchurian question alone and concentration on internal reconstruction and rehabilitation leaving solution of Manchuria to time and patience and meanwhile scrupulously avoiding any act which might give a pretext for extended Japanese action. He considered that a wise line and one which Japan too would do well to follow.

4. In reply to direct question whether I had any solution to propose I replied in the negative. Prior to September incident¹ some compromise

¹ i.e. occupation of Mukden by the Japanese in September 1931; see Volume VIII, Chapter VIII.

should have been possible on common sense lines; but subsequent events had rendered that now impossible. And now we saw Japan committed to ever increasing continental responsibilities which I personally regarded as of very doubtful benefit to her ultimate well being. But that was Japan's own affair.

5. Regarding Japanese internal politics he thinks present government can hardly survive budget difficulties in July. Seiyukai may then return to power and I gather that he might conceivably be called back to office as Minister for Foreign Affairs. But the above should be regarded as strictly confidential.

Repeated to Tokyo, Mission and Commander-in-Chief.

No. 503

Sir F. Lindley (Tokyo) to Sir J. Simon (Received April 14, 10 a.m.)

No. 102 Telegraphic [F 2451/18/10]

TOKYO, April 14, 1933, 11.40 a.m.

My telegram No. 94.¹

We hear on good authority that Japanese General Staff propose to drive Chinese forces across Lan Ho river though it is not their present intention to hold this line.

Repeated to Peking.

¹ No. 494.

No. 504

Sir M. Lampson (Peking) to Sir J. Simon (Received April 14, 8 p.m.)

No. 352 Telegraphic: by wireless [F 2462/33/10]

TOKYO, April 14, 1933

Tokyo telegram No. 101.¹

I am afraid I do not follow the last sentence. So far as I know Chinese are not doing anything especial at present. Possibly Japanese Minister for Foreign Affairs is seeking to set up bogey for the purpose of later knocking it down. In my conversation with Mr. Yoshizawa yesterday boycott was not even mentioned by him: if there had been intensification I should have expected him at least to allude to it coming straight from Shanghai as he did.

Repeated to Tokyo and Mission.

¹ No. 501.

No. 505

Sir F. Lindley (Tokyo) to Sir J. Simon (Received April 15, 9.30 a.m.)
No. 104 Telegraphic [F 2466/33/10]

TOKYO, April 15, 1933, 11.40 a.m.

Sir M. Lampson's telegram No. 352.¹

It is possible that Minister for Foreign Affairs was exaggerating in the hope of getting us to discourage boycott.

Repeated to Peking.

¹ No. 504.

No. 506

Memorandum by Sir J. Pratt
[F 2762/33/10]

FOREIGN OFFICE¹

The 'Stimson' or 'Hoover' doctrine of non-recognition

The Report adopted by the Assembly on February 24 [1933]² is chiefly remarkable for the fact that it commits the members of the League to the Stimson doctrine of non-recognition. The history of this doctrine is as follows:—

On January 5th, 1932, the United States Secretary of State informed His Majesty's Ambassador at Washington that the United States Government intended to put in a note on the lines of the note addressed to China and Japan in 1915:³

(a) formally reserving all rights of the United States Government and citizens

(b) refusing recognition of any agreement that might infringe their rights as they now exist

(c) reaffirming the principle of the open door and

(d) containing references to the appropriate articles of the Nine Power Treaty and to Article 2 of the Pact of Paris.

The United States note of 1915 stated that the United States Government 'cannot recognise any agreement or undertaking which may have been entered into, or which may be entered into, between the Governments of China and Japan impairing the Treaty rights of the United States and its citizens in China, the political or territorial integrity of the Republic of China or the international policy relative to China, commonly known as the open door policy'.

¹ This undated memorandum was prepared for Sir R. Vansittart who left England on April 15 in the S.S. *Berengaria*, with Mr. Ramsay MacDonald, for preliminary conversations at Washington on questions to be discussed at the World Monetary and Economic Conference opening in London on June 12, 1933; cf. Volume V, Nos. 544-5 and 548. For United States press release statements on these conversations held on April 22-26, see *F.R.U.S. 1933*, vol. i, pp. 490-3.

² Cf. Nos. 365 and 374.

³ Cf. Volume IX, No. 53, note 2.

Mr. Stimson strongly hoped that Great Britain and France would take similar action. In view of the fact however that the statements made by Mr. Yoshizawa to the League on October 13th, 1931, and the Japanese Prime Minister's speech reported by Reuter on December 28th⁴ amounted to definite assurances that the open door in Manchuria and the Treaty rights of other Powers would be respected it did not seem desirable to send in a note as if no such assurances had been given. While the matter was under consideration the United States Government sent in their note of January 7th [8th], 1932, to China and Japan and the text was telegraphed to the Foreign Office.⁵ The last sentence of the note ran 'and that it does not intend to recognise any situation, treaty or agreement which may be brought about by means contrary to the covenants and obligations of the Pact of Paris of August 27th, 1928, to which treaty China and Japan as well as the United States are parties'. Though this sentence was an attempt to circumscribe any advantages that Japan might gain by a breach of the Pact of Paris it was thought that, in practice, it could only affect those advantages in so far as they might trespass on American interests. It was regarded therefore as adding nothing solid to the representations regarding the open door and the matter was dealt with on that basis. The Japanese Ambassador was asked to obtain a confirmation of the assurances already given by Japan and it was explained to the United States Government that in view of our position as a member of the League this was as far as we could go in support of the United States action.⁶ The French Government and the other Nine Power Treaty signatories took substantially similar action.

At this stage the United States Government do not appear to have appreciated the fact that for the Stimson doctrine of non-recognition to have any real value it must be adopted by *all* nations and not merely by the few signatories of the Nine Power Treaty. The action of the twelve members of the Council on January 29 [1932], was the first real advance in this direction. In their declaration of that date,⁷ referring to the American note of January 7 [8], they stated that it would be impossible for the League to endorse a settlement secured by methods of variance with the obligations arising under the treaties referred to in the American note or under Article 10 of the Covenant. In their note to Japan of February 16 [1932],⁸ the twelve Members of the Council carried the matter a stage further. They there stated: 'no infringement of the territorial integrity and no change in the political independence of any member of the League brought about in disregard of (Article 10 of the Covenant) ought to be recognised as valid and effectual by the Members of the League'.

⁴ See *L/N.O.J.*, December 1931, p. 2315, and *The Times*, December 29, 1931, p. 8, respectively.

⁵ Cf. Volume IX, No. 61.

⁶ See *ibid.*, No. 66.

⁷ See Volume IX, No. 131, note 3; cf. *L/N.O.J.*, March 1932, pp. 336-7. The 'twelve members' were the members of the Council of the League of Nations other than the Chinese and Japanese representatives.

⁸ See Volume IX, Nos. 465 and 471; cf. *L/N.O.J.*, *op cit.*, pp. 383-4.

The Stimson doctrine was stated fully by the United States Government for the first time in Mr. Stimson's note to Senator Borah of February 24 [23], 1932.⁹ Mr. Stimson added: 'If a similar decision should be reached and a similar position taken by the other Governments of the world a caveat will be placed upon such action which, we believe, will effectively bar the legality hereafter of any title or right sought to be obtained by pressure or treaty violation, and which, as has been shown by history in the past, will eventually lead to the restoration to China of rights and title of which she may have been deprived.'

On March 11th, 1932, the Assembly, acting on the suggestion made by the Secretary of State in his speech of March 7, adopted a Resolution declaring 'that it is incumbent upon the Members of the League of Nations not to recognise any situation, treaty or agreement which may be brought about by means contrary to the Covenant of the League of Nations or to the Pact of Paris'.¹⁰

In their Report under Paragraph 4 of Article 15 adopted on February 24, 1933, the Assembly applied the abstract doctrine to the specific case of 'Manchukuo':—'the Members of the League intend to abstain, particularly as regards the present régime in Manchuria, from any act which might prejudice or delay the carrying out of the recommendations of the said report. They will continue not to recognise this régime either *de jure* or *de facto*.'

J. T. PRATT

⁹ The text of this note is printed in *F.R.U.S. Japan: 1931-1941*, vol. i, pp. 83-87; cf. Volume IX, No. 560, note 14.

¹⁰ Cf. Volume X, No. 67.

No. 507

Sir M. Lampson (Peking) to Sir J. Simon (Received April 16, 9 p.m.)

No. 368 Telegraphic: by wireless [F 2470/18/10]

PEKING, April 16, 1933

General Ho Ying-chin sent me message this afternoon that Japanese were practically in Chinwangtao where they had already appointed a Chief of Police. Intensive bombing of Chinese positions northward were [*sic*] in progress. There were also renewed Japanese attacks in the neighbourhood of Kupeikou. General Ho Ying-chin was apprehensive that occupation of Peking and Tientsin might be in contemplation. Had I any information? I sent verbal reply that I did not believe occupation of Peking and Tientsin was intended. Much more probable that Japanese had (? tired) of continued scrapping east of Lan river, had lost patience and had now decided to clear up area east of that river. And this emboldened me to wonder why he continued an obviously useless struggle in that area. It only wasted lives of many unfortunate soldiers, brought much misery to the country-side and may be gave the very pretext which Japanese chauvinists might be seeking to extend field

of their operations. Why this senseless fighting? Speaking of which I would like to remind General Ho Ying-chin of our big interests in the railway both as carrier of Kailan coal and as investment of British bondholders: if Chinese decided to fall back I trusted in turn General could do his best to ensure that railway was not damaged. But the position was obviously delicate and I could not intervene directly in what was primarily a Sino-Japanese dispute.

General Ho Ying-chin's emissary undertook to report fully what I had said. He knew the General realized British interests in area involved and would do his best not to damage them.

Repeated to Tokyo, Mission, General Officer Commanding, Commander-in-Chief and Tientsin for Brigadier.

No. 508

Sir M. Lampson (Peking) to Sir J. Simon (Received April 17, 4.30 p.m.)

No. 370 Telegraphic: by wireless [F 2479/18/10]

PEKING, April 17, 1933

Military Attaché reports, begins:

Japanese appear to have succeeded in forcing withdrawal of all Chinese troops to West [? of] Lan river¹ by using Manchu troops from Shihmenchai coupled with threats at communications from passes in wall from Lengkou to Hsifengkou.

Chinwangtao was evacuated by Chinese garrison on April 16th when Manchu force occupied Haiyang and began pushing westwards.

Repeated to Commander-in-Chief, General-Officer-Commanding, Mission, Tientsin for Brigadier.

¹ Cf. *F.R.U.S.* 1933, vol. iii, p. 280.

No. 509

Sir M. Lampson (Peking) to Sir J. Simon (Received April 19, 6.30 p.m.)

No. 382 Telegraphic: by wireless [F 2577/18/10]

Confidential

PEKING, April 19, 1933

Question has been raised by some of my colleagues as to how present position and threat to communications with the sea affects final protocol.¹ United States Minister and I am [*sic*] in close touch and are having informal meeting with Senior Minister (Spanish) April 19th.² French Counsellor will attend. We are purposely avoiding calling in other protocol Powers at this stage owing to difficulty of Japanese participation.

2. We rather suspect a later attempt to jockey us into position of intermediaries in some scheme to establish a neutral zone northward of³ Wall from

¹ i.e. the Final Protocol of Peking of 1901; cf. No. 187.

² Cf. No. 510 below. The Spanish Minister at Peking was M. J. Garrido y Cisneros.

³ It was suggested in the Foreign Office that these two words should read 'northward to'.

motor road between Peking and Shanhaikuan. To judge by publication in the press Japan has had something of the kind in mind for some time. But it is all still obscure.

Repeated to Mission, General Officer Commanding and Commander-in-Chief.

No. 510

Sir M. Lampson (Peking) to Sir J. Simon (Received April 20, 9.30 p.m.)
No. 388 Telegraphic: by wireless [F 2664/18/10]

PEKING, April 19, 1933

My telegram No. 382.¹

Meeting revealed that General Ho Ying-chin's emissary² Tsai had suggested to senior minister that in order to maintain their rights of free egress to sea protocol Powers should station detachments of their troops at Lan river bridge to ensure its not being destroyed by either side.

2. We were unanimously of opinion anything of the sort was entirely ruled out. As to our rights under the protocol we felt at present stage it was out of . . .³ terms thereof which were primarily intended to ensure maintenance of communications between Peking and the sea in the event of any threat by Chinese to Signatory Powers as a whole and not in case of present Sino-Japanese dispute. I realise however that should communications between Peking and Tientsin be affected whole question of applicability of protocol might have to be reconsidered.

3. Senior Minister will accordingly put off Mr. Tsai and say that if Chinese wish to pursue the matter it must be through proper and not subordinate channel.

Repeated to Mission, General-Officer-Commanding, Commander-in-Chief, Tientsin for Brigadier.

¹ No. 509.

² In a copy of the telegram received later by bag this word read 'Secretary'. Cf. *F.R.U.S.* 1933, vol. iii, p. 281.

³ The text as received was here uncertain. The confirmatory copy here read: 'out of question to invoke terms . . .'.

No. 511

Sir M. Lampson (Peking) to Sir J. Simon (Received April 20, 9.30 a.m.)
No. 389 Telegraphic: by wireless [F 2649/18/10]

Most confidential

PEKING, April 19, 1933

I had a curious visit from secretary in charge of Japanese Legation¹ on evening of April 19th.

2. He began by referring to prevalent rumours that Japan contemplated occupation of Peking, and Tientsin area. After explaining in detail present

¹ Mr. Nakayama.

disposition of Japanese troops he gave what amounted to assurance that they had no intention of advancing west of Luan river—or even necessarily occupying up to its east bank once area had been cleared of Chinese troops. But how was Japan to feel safe against firing from Chinese forces on west bank? There must be some empty space between the two forces.

3. I was very cautious in my comments but finally on his coming to the point of his visit he suggested that the only person acting on Shanghai precedent who could bring cessation of hostilities between contending parties was myself. I thought it wiser not to follow this up beyond observing (1) that Shanghai situation had been fundamentally different in that Japanese were ready to withdraw and both sides wanted a settlement: whereas Chinese now did not or would not admit that they did; (2) that with all our governments committed to League resolution I hardly saw how any of their representatives here could intervene to stop Chinese defending their own territory as they no doubt regarded their present action.

4. He admitted force of both above points commenting that perhaps America was thus only available channel as she had not been a party to League resolution.

5. It is no doubt tempting to play the role of middleman and put a stop to present senseless fighting. But I should be chary of showing any indication of readiness to do so, *unless Chinese asked us to*. And so far their attitude had been quite the contrary. May be some of them would welcome an outside movement in this direction but almost certainly would place upon us full responsibility for what would popularly be branded as a surrender on foreign advice or even pressure.

6. Nevertheless present situation is so deplorable and so fraught with dangerous possibilities that I should greatly value any general directions you may feel disposed to give me for guidance.

Repeated to Mission, Tokyo, Commander-in-Chief, General Officer Commanding.

No. 512

Sir J. Simon to Mr. Snow¹ (Tokyo)

No. 92 Telegraphic [F 2218/18/10]

FOREIGN OFFICE, *April 20, 1933, 5.45 p.m.*

Please inform Minister for Foreign Affairs that His Majesty's Government are seriously concerned at reported advance beyond the Wall which is said to have proceeded as far as Luan river. They would be glad to have an explanation of action taken and of Japanese intentions in view of the assurance given to me by Japanese Ambassador after reference to Tokyo

¹ Mr. T. M. Snow, Counsellor in H.M. Embassy, Tokyo, acted as Chargé d'Affaires during the absence on leave of Sir F. Lindley, see No. 501.

that there would be no advance beyond the Wall so long as Chinese refrained from provocation.²

Repeated to Peking No. 164.

² For the decision to make these enquiries of the Japanese Government see No. 486, note 4. In addition, on April 18 at 10.30 p.m. a request was received in the Foreign Office from Sir R. Vansittart (in telegram No. 3 Tour of April 18 from the S.S. *Berengaria*) for a 'summary of position and of representations if any taken or contemplated' in connexion with reports of Japanese advance 'far beyond the Wall'.

No. 513

Mr. Snow (Tokyo) to Sir J. Simon (Received April 20, 3.20 p.m.)

Nos. 110 and 111 Telegraphic [F 2600/1203/23]

TOKYO, April 20, 1933, 7 p.m.

Sir F. Lindley's telegram No. 105.¹

Japanese press also industrial commercial organizations express great indignation and Japanese authorities are seriously concerned. Not only does Japan see herself threatened with the loss of markets of vital importance but in both government and mercantile circles view is held that (a) British business and particularly Lancashire interests instigated abrogation and/or (b) that latter is part of general policy of following Ottawa agreement² for the exclusion of Japanese products from the British Empire.

Further a large section of leading industrialists also some Cabinet Ministers and in general military party including young officers (as Military Attaché was informed in the presence of Minister of War) regard abrogation as the beginning of economic boycott inspired by League of Nations policy.

Industrialists speaking of retaliation e.g. refusal to buy cotton from India, spinning machinery from England and wool from Australia. Such threats may be discounted but it is clear that the authorities and industry are gravely concerned and are anxious to make terms. It was even hinted to Commercial Counsellor at the Foreign Office yesterday that Japanese Government might be prepared to introduce special legislation for control of exports by quotas, export tax, or other means to meet the wishes of the Government of India. They have apparently been discussing some such solution for some time past with the Indian Government through Japanese Consul-General at Calcutta who is particularly aggrieved at alleged discourtesy of haste of Indian Government's action.

To us it seems there is room for friendly arrangement both as regards India and other markets. Moreover exclusion of Japanese products from

¹ In this telegram of April 15, not printed, Sir F. Lindley referred to No. 499 and remarked that 'Japanese press are inclined to bluster but both Japanese authorities and cotton interests are conscious of weaknesses in their case'.

² A summary of the proceedings and the texts of trade agreements concluded at the Imperial Economic Conference held at Ottawa, July 21-August 20, 1932, are printed in Cmd. 4174 and Cmd. 4175 of 1932.

India apart from political effect on Anglo-Japanese relations could only increase pressure of Japanese exports on other markets both in the Empire and elsewhere and so aggravate situation already disagreeable. Not only would suspicions above mentioned prove an obstacle to friendly arrangement but on political grounds we respectfully suggest advisability of removing such suspicions by early issue of public statement in London.

In addition though there may be practical difficulties in the way of negotiation mere expression on principle of willingness of Indian Government to negotiate would go some way to remove prevailing impression here that His Majesty's Government in the United Kingdom are pursuing the deliberate policy of economically isolating Japan.

We would be grateful to be informed of any action you may decide to take.³

Repeated to India.

³ Sir J. Simon's telegram No. 128 of 6 p.m. of June 6, 1933, to Mr. Snow said that the Japanese Government had been invited that day to appoint representatives to negotiate in India a new commercial agreement.

No. 514

Sir J. Simon to Sir R. Lindsay (Washington)

No. 174 Telegraphic [F 2601/18/10]

FOREIGN OFFICE, *April 20, 1933, 10 p.m.*

Following for Sir R. Vansittart from Sir V. Wellesley. Begins:—

Your telegram No. 3 (Tour).¹

Japanese officially announce that Chinese have evacuated Chinwangtao which has been occupied by their railway guards (already in the district in accordance with the Boxer Protocol); that Japanese troops have occupied Anshan, West of Changli, thus cutting off retreat of any Chinese there, and that Japanese intend to clear area between railway, Luan river and Great Wall, but not occupy it.

War Office think Japanese will clear and hold for some time area East of Luan river and that Chinese troops are already behind the river. Agent of Kailan Mining Administration reports that Chinese Commander, General Ho Chu-Kuo, will probably transfer his allegiance to Manchukuo. Japanese Commander at Shanhaikwan told Kailan General Manager that Japanese would occupy in near future whole of the Tongshan mines area West of the Luan river but it is doubtful whether much importance is to be attached to this pronouncement by a comparatively junior officer.

It seems likely that Japanese plan is to create a neutral zone between the Luan river, the sea and the Great Wall. They would thus gain complete control over the key passes in the Great Wall at Hsifengkou, Lengkou and Chiehlingkou and be in a far better defensive position. Japanese military

¹ See No. 512, note 2.

circles have long regarded the line of the river as the proper strategical boundary between Manchuria and China Proper, and, having secured this line it is improbable that their troops will for any strategic reason advance further into North China. Ultimately they might do so in order to secure a friendly government in North China, if they cannot obtain this otherwise.

His Majesty's Chargé d'Affaires in Tokyo has today been instructed² to ask the Japanese government for an explanation of these moves and of their intentions, reminding them of the assurance given us that there would be no advance beyond the Wall so long as the Chinese refrained from provocation. He will repeat to you any reply received.

² See No. 512.

No. 515

Mr. Snow (Tokyo) to Sir J. Simon (Received April 21, 3 p.m.)

No. 114 Telegraphic [F 2651/18/10]

TOKYO, April 21, 1933, 7.50 p.m.

Your telegram No. 92.¹

Minister for Foreign Affairs stated this afternoon that Chinese by their provocative actions had been alone responsible for Japanese advance within the Wall, but added categorically that Japanese had no intention of advancing beyond the Luan river. If Chinese provocations continued, he could not, however, guarantee that Japanese would not do so. As soon as 'situation was settled' Japanese troops would be withdrawn outside the Wall. I expressed satisfaction, but said there seemed disconcerting prospect of situation continuing indefinitely. Had His Excellency any idea in his mind as to best way of settling it? He said no: it would depend on circumstances. Chinese seemed . . .² and would probably welcome further Japanese advance. I said I understood Japanese Chargé d'Affaires had made certain proposals to Sir M. Lampson (Peking telegram No. 120).³ He replied that he had heard from Japanese Chargé d'Affaires, but did not pursue the subject.

Repeated to Peking and Washington for Sir R. Vansittart.

¹ No. 512.

² The text is here uncertain.

³ A note on the filed copy says that this reference 'is certainly meant for Peking tel. to F.O. No. 389 in F 2649', i.e. No. 511 above.

Sir M. Lampson (Peking) to Sir J. Simon (Received April 21, 6.30 p.m.)

No. 395 Telegraphic: by wireless [F 2665/18/10]

Immediate. Most confidential

PEKING, April 21, 1933

My telegram No. 389.¹

I received visit April 20th from Hsiung Hsi-ling² (see my despatch 196).³

2. Hsiung Hsi-ling said that recent visit to northern fronts as representative of Swastika Society had impressed him with necessity for cessation of fighting which he described as tragic and barbarous and asked whether I could suggest any way of stopping it.

3. I replied speaking confidentially and as an impartial observer Chinese would at this stage be well advised to drop the question of Manchurian provinces for the time being and without in any way . . . ing⁴ their (? attitude) with regard to major issues, concentrate on giving no cause for continued fighting and consequent further encroachment by Japanese on Chinese soil. This was not to be interpreted as advising China that she should not defend her territory.

4. Hsiung Hsi-ling expressed opinion that the only way that negotiations for cessation of hostilities between the two sides could be initiated would be through the intervention of a third party as at Shanghai last year. Central government he felt sure were prepared to treat hostilities in the north as a local matter and would not oppose any reasonable arrangement made for their cessation provided it involved no recognition, explicit or implied, of Manchukuo into which Japanese would inevitably try to lead them. He had yesterday suggested to Ho Ying-chin as representing Central government in north China that it was now time to try to reach some settlement by negotiation and latter had authorised him to consult with me on his behalf.

5. I explained difficulty, in view of extremely delicate situation, of any third party intervening as mediator. Before he could do so it was essential that (1) he should be invited by both sides (2) subjects for discussion should be explicitly defined (3) he should be assured he would not become in any way involved with other issues. In illustration I quoted difficulties encountered in Shanghai negotiations and adverse criticism which appeared in Chinese press on my return to China this year.

6. Hsiung Hsi-ling enquired in what form request by Chinese government for mediation might best be made and whether to representatives of

¹ No. 511.

² Mr. Hsiung Hsi-ling, Chinese Prime Minister and Minister of Finance in 1913, was described by Sir J. Pratt in a minute of April 24 as 'a much respected and influential elder Statesman'.

³ This despatch of February 17 (received April 7, not printed) enclosed a record of an earlier interview, on February 13, between Sir M. Lampson and His Excellency Hsiung Hsi-ling.

⁴ The text is here uncertain. A confirmatory copy of the telegram received later by bag read: 'in any way compromising their attitude'.

signatories of Boxer Protocol or whom? I replied, speaking personally and without instructions, that provided invitation came through an authoritative channel the less official the better at this stage, fact that Japan was among the protocol signatory Powers created an obvious difficulty: and generally speaking the greater the number of participants the more unwieldy the negotiations.

This was not in any case a question that could be decided off hand and I required time to think it over and consult my government.

7. Hsiung Hsi-ling assured me he appreciated importance of keeping this conversation private, he neither had nor would broach the subject to any other legation but would of course inform Ho Ying-chin of what had been said. He would hope to hear from me later.

Repeated to Tokyo, Mission and Commander-in-Chief.

No. 517

Sir M. Lampson (Peking) to Sir J. Simon (Received April 21, 7 p.m.)

No. 396 Telegraphic: by wireless [F 2659/18/10]

Immediate. Confidential

PEKING, April 21, 1933

Since interview with Hsiung recorded in my telegram No. 395¹ Chiang Mou-lin has also called today independently but on the same mission.

(2) He began by depicting state of misery of the countryside in view of intention to commandeered carts, animals etc. just at the time when harvest is in sight. Communists were very active and if things went on like this Bolsheviks might receive 'strong impetus'.

He continued that he had gone down to Paotingfu and told Chiang Kai-shek of our last conversation, see my telegram No. 233;² that latter had agreed with my views; but that now things had gone from bad to worse and that last night there had been a conference here in Peking attended by Ho Ying-chin, Yung Shueh-chang and leading intellectual leaders such as Hu Shih, V. K. Ting and himself and that he, Chiang Mou-lin, had been deputed to come to me and invoke my good offices to secure an armistice.

(3) I replied I was already in communication with His Majesty's Government on this but that one first essential must be that we should have an authoritative invitation to act from Nanking government. This might come informally in the first instance but it must be unequivocal as also a precise definition of scope of any discussion e.g. I presumed strict limitation to *local* armistice and exclusion of all such questions as recognition of Manchukuo or larger issues between Japan and China. He agreed and said they would seek some formula.

(4) He asked if there were any indications of a readiness for an armistice on the part of Japan. I said I had reason to believe that there might be, see my telegram No. 389;³ and I should be ready to explore it if my point in paragraph 3 of this telegram were satisfied.

¹ No. 516.

² No. 463.

³ No. 511.

(5) Chiang Mou-lin believed that Chiang Kai-shek and Wang C. W.⁴ are in favour of an agreement but is doubtful of Minister for Foreign Affairs. He left saying next move would presumably lie with Nanking and that he expected to have more to say shortly.

(6) I trust I am acting on the right lines in this rather delicate affair.

⁴ Mr. Wang Ching-wei (see No. 15 and No. 497, § 17) had resumed office as President of the Executive Yuan.

No. 518

Sir J. Simon to Sir M. Lampson (Peking)

No. 170 Telegraphic [F 2088/643/10]¹

Secret

FOREIGN OFFICE, *April 22, 1933, 5 p.m.*

Your telegram No. 119² (of February 18th. Proposed withdrawal of British battalion from Shanghai.)

H.M.G. have decided in principle that one battalion shall be withdrawn from Shanghai to Hongkong as soon as suitable accommodation at latter place is available. Situation of the moment will of course be taken into account when the time arrives. Question of further removal will not arise until first movement has been completed, and in any case will be subject to political considerations.

¹ Only the approved draft of this telegram has been preserved in Foreign Office archives.

² This telegram (not printed) was sent in reply to telegram No. 55 of February 8 from the Foreign Office which informed Sir M. Lampson that the War Office were again pressing (cf. No. 135) for a decision on the withdrawal of one battalion from Shanghai to Hong Kong and asked whether he thought it possible 'to agree to War Office making arrangements to withdraw battalion in, say, six months' time provided events in the meantime do not make its retention necessary?'

Sir M. Lampson replied that, while not qualified to comment upon the adequacy of a reduced force for the protection of British lives and property in Shanghai, he considered on general grounds that the 'moment was singularly inopportune to bind ourselves in advance in any way'. He said: 'No one has slightest idea what is going to happen and even Japanese (see Suma's remark to me in Nanking—my telegram No. 38. Tour [No. 301]) fear a possible repercussion in Shanghai. If it does not happen now it may do so in six months' time. My main feeling is that matter should also be regarded from an international angle: and I doubt wisdom of reducing our force to about 750 so long as Americans keep 2,500, French 2,100 and Japanese 2,150. We have hitherto quite successfully taken the lead in all international problems at Shanghai including defence and I should be loath to see ourselves reduced to having a minor voice or playing a minor role.'

Sir M. Lampson's views were communicated by Sir J. Simon to the War Office on March 1. In their letter of March 30 to the Foreign Office, the War Office said that the Army Council were unable to concur in the decision being deferred for a further period of six months and were of opinion that 'the garrison of Hong Kong should be strengthened by the withdrawal of one battalion from Shanghai, as soon as accommodation can be provided at Hong Kong: they would also remind Secretary Sir John Simon that Shanghai could, in the event of trouble, be reinforced from Hong Kong within 48 to 60 hours and at the same time they have no reason to suppose that the British leadership in international affairs at Shanghai would be in any way impaired by a numerical reduction of the garrison'.

The decision to withdraw one battalion as soon as suitable accommodation was available at Hong Kong was taken by the Committee of Imperial Defence on April 6. Cf. 278 *H.C. Deb. 5 s., col. 1272* (May 25, 1933).

No. 519

Mr. Snow (Tokyo) to Sir J. Simon (Received April 22, 2.45 p.m.)
No. 115 Telegraphic [F 2663/18/10]

TOKYO, April 22, 1933, 7.40 p.m.

My immediately preceding telegram.¹

Minister for Foreign Affairs though not communicative was doubtless sincere. We believe situation to be that Japanese Government have no intention of occupying Peking and Tientsin but that the army if provoked by the Chinese will nevertheless continue to advance for tactical reasons with consequent danger of reaching those areas.

From remarks let fall by Minister for Foreign Affairs situation would appear to resemble the end of the Shanghai trouble in that the Japanese have defeated the Chinese and reached their objective: they cannot extricate themselves with the Chinese opposite them. Sir M. Lampson lent invaluable aid on the former occasion, and as regards his telegram No. 389 to Foreign Office,² might not the risk of the Chinese misrepresenting our motives be worth running apart from humane considerations in order to terminate the situation so full of dangerous political possibilities?

Repeated to Peking, Washington for Sir R. Vansittart.

¹ No. 515.

² No. 511.

No. 520

Sir M. Lampson (Peking) to Sir J. Simon (Received April 22, 6 p.m.)
No. 408 Telegraphic: by wireless [F 2681/18/10]

Most confidential

PEKING, April 22, 1933

My telegram No. 396.¹

In telegraphing to Wang C. W. substance of what I said to Chiang [Mou-lin] on April 20th Minister of War summarised my points as follows:

(1) To prevent any future misunderstandings or distortions with reference to Shanghai agreement, proposal for third party good offices must definitely originate with the two parties concerned.

(2) Question to be discussed must be very clearly defined—namely cessation of hostilities: no Manchurian or other problem (this latter had been interpolated by Chiang on his own).

(3) On Chinese side official spokesman must be appointed by Central government. To start discussions with friendly third party to be informal and secret (latter once more Chiang's own interpolation.)

(4) Question of my acting singly or in concert with other Foreign representatives to be (? decided) later.

(5) I was awaiting authority from home before agreeing to move.

¹ No. 517.

2. Reply has now come (? today) from Wang C. W. as follows: (1) as regards Shanghai agreement all Chinese are most grateful for our action. There will definitely be no repetition of misunderstanding if we agree to act again (2) Definition of scope of discussion. Wang agrees that it should be limited to armistice. He would favour any agreement arising out of proposed discussion with Japan being verbal rather than in writing; otherwise Chinese people might infer that Chinese (? representatives) acquiesced in severance of Manchuria from China. (Chiang does not agree: he thinks verbal arrangement even more liable to misinterpretation than a written one. I told him in any case I did not believe Japan would be content with a verbal agreement) (3) Wang contemplates nomination of vice Minister for Foreign Affairs Liu Chung-chieh now in Peking latter to act on advice and with support of Minister of War, Ho Ying-chin now also in Peking (4) Composition of friendly third party not discussed and for us rather than the Chinese to determine. But French Minister now in Nanking had recently offered good offices.

3. Wang's reply goes on, that he as Premier of Central government will be solely responsible for negotiations. That he is now chairman of defence commission which is in charge of the situation in the North; and that the word of that commission is final. That Chiang Kai-shek has delegated the whole authority in this matter to Wang with whose views and ideas he is in agreement. Wang will act through vice Minister for Foreign Affairs, Chiang Kai-shek through Minister of War.

4. I told Chiang I would at once report above to you: and that time had now come when I must bring in my United States colleague (this I have since done see my immediately following telegram)² and finally that if we did agree to act I should require something authoritative and in writing upon which to base action. This he said should be easy.

Repeated to Tokyo, Commander-in-Chief and Mission.

² No. 521.

No. 521

Sir M. Lampson (Peking) to Sir J. Simon (Received April 22, 8 p.m.)

No. 409 Telegraphic: by wireless [F 2666/18/10]

Confidential

PEKING, April 22, 1933

My telegram No. 408.¹

United States Minister to whom I have explained the position fully is telegraphing to his government at once.²

2. Our joint opinion is that while matter is one of great delicacy and must be handled with caution, position is that if a serious proposal is brought us (or to either of us) by either side we could not well refuse to pass it on.

3. We discussed . . . s³ of possible action and were in accord that should

¹ No. 520.

² Cf. *F.R.U.S.* 1933, vol. iii, pp. 287-8.

³ The text is here uncertain. A confirmatory copy of the telegram received later by bag read: 'discussed mechanics'.

our governments agree to our action the best plan would be to follow the Shanghai precedent, e.g. Great Britain, United States, France and Italy to be the medium of good offices. Protocol powers were too many and some of them not sufficiently important.

4. We also agreed that unless meanwhile instructed to the contrary I should within the next few days see Nakayama and referring to his conversation of April 19th⁴ ask whether he had any desire to elaborate his ideas for possible cessation of hostilities saying that if so I should be very ready to consider possibilities if he would be more precise.

5. United States Minister was inclined to be preoccupied at rumours now strongly current of imminent establishment in the North of some new Chinese combination less hostile to Japan⁵ and felt this might have some bearing on the present proposals before us. But he finally agreed that we should deal with latter normally and on merits leaving the vague possibilities in the Chinese political world aside for our present purpose.

Repeated to Tokyo, Commander-in-Chief and Mission.

⁴ See No. 511.

⁵ A telegram of April 21 from the British Commander, Tientsin Area (copy received in the Foreign Office on April 25), reported that several secret meetings had been held in the Japanese Concession, Tientsin, during the last few days attended 'by certain influential Chinese belonging to North China, also by certain Manchukuo Chinese, and that object of meetings is to make plans for overthrow of present régime in Peking and set up government in North China favourable to Manchukuo and Japanese'.

No. 522

Sir M. Lampson (Peking) to Sir J. Simon (Received April 23, 6 p.m.)

No. 410 Telegraphic: by wireless [F 2667/18/10]

Immediate. Very confidential

PEKING, April 23, 1933

My telegram 408.¹

Minister for Foreign Affairs has now sent me personal and strictly confidential letter² by hand of Shen³ one of his chiefs of department written from hospital on April 20th earnestly begging for intervention to prevent further Japanese advance. 'Once more you will use all your influence and employ whatever means you deem fit. Should they (Japanese) attempt to take Tientsin and Peking we are determined to resist to the utmost and fight to the finish. We are sure of defeat but are determined not to be defeated without serious and stubborn fighting.'

2. I informed Shen of position to date and that unless instructed to the contrary I should be sounding out Japanese Secretary of Legation as to

¹ No. 520.

² Copies of Dr. Lo Wen-kan's letter of April 20, and of Sir M. Lampson's reply of April 23, were received in the Foreign Office on June 9 as enclosures in Peking despatch No. 546 of April 24, not printed.

³ Mr. Shen Chin-ling, Director of the Department of Asiatic Affairs in the Nanking Government.

possibilities in the near future. Meanwhile Chinese would do well to prepare forthwith a formula defining scope of discussions which I could use as a basis.

Repeated to Tokyo, Commander-in-Chief and Mission.

No. 523

Sir M. Lampson (Peking) to Sir J. Simon (Received April 25, 4.15 p.m.)
No. 418 Telegraphic: by wireless [F 2727/18/10]

PEKING, April 25, 1933

I happened to meet Nakayana at a social function April 23rd...¹ (? hinted). I might be prepared to explore further feeler he had thrown out on April 19th (see my telegram No. 389).²

2. He seemed to be taken aback at first but finally indicated that difficulty might be for Japan to show any readiness for discussions before being assured of a similar readiness on Chinese side. I observed that could he³ easily be ascertained and that I was ready to help but must have something more from Japanese side first. I said I would look in on him shortly to submit⁴ possibilities.

Repeated to Mission, Commander-in-Chief and Tokyo.

¹ The text is here uncertain. A confirmatory copy of the telegram received later by bag read: 'April 23rd and hinted I might'. Cf. No. 511, note. 1.

² No. 511.

³ This word appears to have been inserted in error.

⁴ In the text received later this word read: 'explore'.

No. 524

Sir M. Lampson (Peking) to Sir J. Simon (Received April 25, 5.40 p.m.)
No. 419 Telegraphic: by wireless [F 2733/18/10]

PEKING, April 25, 1933

Following received from Mission No. 178 April 24th.

Begins.

Very confidential

In long conversation at his house last night Minister for Foreign Affairs expressed himself as perturbed at the internal situation in the North where he detected a weakening of morale. He talked rather wildly of going himself to Peking to take charge of civil administration so as to infuse into it...¹ stimulus towards resistance and against defeatism or treachery in Shansi parleys² with Japanese whose only conditions he felt were bound to involve (anyhow by implication) recognition of...³ Manchukuo.

¹ The text is here uncertain. In a copy of this telegram as received at Peking and sent by bag to the Foreign Office the text here read: 'into it necessary stimulus'.

² The text sent by bag here read: 'defeatism or anything in shape of parley with'.

³ The text is here uncertain. The text sent by bag read: 'of autonomy (?) of Manchou-kuo'.

2. Above was volunteered quite spontaneously and no allusion of any sort was made to mediation.

3. Minister for Foreign Affairs only left hospital on Saturday⁴ and had first talk for ten days with Wang C. W. yesterday morning lasting three hours. My impression was that he had just been told what was in the wind and is determined to bring all his influence to bear against it. The other chief protagonist of resistance, the Minister of Finance being on the high seas.⁵

Minister for Foreign Affairs is left to . . .⁶ play a rather lone hand.

4. Tone of Chinese press remains much the same and only discusses policy of direct negotiations to reject it out of hand.

⁴ April 22.

⁵ This full stop was not in the text sent by bag. Dr. T. V. Soong was on his way to the United States, see *F.R.U.S.* 1933, vol. iii, pp. 294, 336-7.

⁶ The text sent by bag was also here uncertain.

No. 525

Sir M. Lampson (Peking) to Sir J. Simon (Received April 25, 6 p.m.)

No. 420 Telegraphic: by wireless [F 2746/18/10]

PEKING, April 25, 1933

Following received from Mission No. 180 April 24th. Begins:—

Your telegram[s] No. 408 and No. 410 to Foreign Office,¹ just received and my telegram No. 178 to you.²

I have distinct impression that Minister for Foreign Affairs feels direction of policy has been taken out of his hands and that while what he had in mind was initiative of the Powers, Chinese have been manoeuvred during his illness into position of sharing in that initiative and that before China knows where she is she will be committed to something inconsistent with her honour and implying recognition of Manchukuo. He poses as staunch a die-hard as ever.

2. On Saturday³ night Minister of Communications told me the government were seriously preoccupied with political effect which Japanese propaganda was having in the north. He said it had come to their knowledge that Japanese were offering Canton the bribe of recognition of their independence in exchange for a free hand in North China—see paragraph 5 of your telegram No. 409.⁴

3. I propose to keep strictly aloof from all this, initiate no discussions and be drawn into no expressions of opinion.

¹ Nos. 520 and 522 respectively.

² See No. 524.

³ April 22.

⁴ No. 521.

No. 526

Sir M. Lampson (Peking) to Sir J. Simon (Received April 25, 5.45 p.m.)
No. 421 Telegraphic: by wireless [F 2754/18/10]

PEKING, April 25, 1933

Mission telegrams Nos. 178 and 180.¹

Vice Minister for Foreign Affairs seemed very vague today as to what Chinese in fact want. Apparently while Minister for Foreign Affairs is angling for joint warning by foreign Powers to combine . . .² some initiative for cessation of hostilities by *verbal* agreement between combatant parties.

2. I told him that until he could say definitely and authoritatively what Central government did want I was not prepared to concern myself further.

3. French Minister has just returned here from Nanking and I have informed him *most* confidentially of general lines of feelers to date.

Repeated to Tokyo, Mission and Commander-in-Chief.

¹ See Nos. 524 and 525.

² The text is here uncertain. A revised copy received later by wireless read: 'for a joint warning by foreign Powers to Japan against further advance, others wish to combine with this same [? some] initiative . . .'.

No. 527

Sir M. Lampson (Peking) to Sir J. Simon (Received April 25, 6 p.m.)
No. 422 Telegraphic: by wireless [F 2728/18/10]

PEKING, April 25, 1933

British press representative here has received message from Associated Press, New York, for whom he acts as correspondent that I am negotiating armistice with Chinese and Japanese. Having been instructed to report on the message he has asked me how he should reply. I have told him that he can say that he has learned from the Legation that no negotiations are in progress and that no proposals have been actually received by me from either side regarding armistice, but that I am naturally keeping in touch with the situation here and all concerned and at the same time keeping close watch on developments.

No. 528

Sir J. Simon to Sir M. Lampson (Peking)
No. 171 Telegraphic [F 2667/18/10]

FOREIGN OFFICE, April 26, 1933, 5 p.m.

Your telegram No. 410¹ (of April 23rd) and preceding telegrams (proposed mediation between Chinese and Japanese to secure armistice).

1. I entirely agree with the views expressed in paragraphs 3 and 5 of your telegram No. 389.² As however Chinese government have now plainly

¹ No. 522.

² No. 511.

expressed their desire for your good offices in bringing about a cessation of hostilities and as there are indications that this is also the desire of the Japanese authorities the time would seem to have come when an attempt should be made to bring the two parties together, on the understanding of course that major issues will be excluded and that nothing but an arrangement for an armistice will form the subject of the negotiations.

2. I approve the manner in which you have handled this delicate matter and the action proposed in your telegram No. 409.³ You will not of course lose sight of the fact that a League Committee has been appointed 'to follow the situation'. Probably, however, it will suffice if a suitable communication is made from here to the Secretary General of the League of Nations if and when your further conversations with Japanese Secretary of Legation make it appear probable that armistice negotiations may be begun.

Repeated to Tokyo No. 99.

³ No. 521.

No. 529

Sir J. Simon to Sir M. Lampson (Peking)

No. 174 Telegraphic [F 2754/18/10]

FOREIGN OFFICE, *April 27, 1933, 9.15 p.m.*

Your telegram No. 421¹ (of April 25th. Possibility of armistice negotiations).

In the changed situation you were quite right to draw back. Unequivocal desire of both sides for our good offices is essential.

¹ No. 526.

No. 530

Sir M. Lampson (Peking) to Sir J. Simon (Received April 27, 6 p.m.)

No. 427 Telegraphic: by wireless [F 2837/18/10]

PEKING, *April 27, 1933*

My telegram No. 421.¹

I have informed United States Minister of my language to Vice-Minister for Foreign Affairs. He entirely concurs and we are now in agreement to do nothing further unless further approached by either side.

Repeated to Mission, Tokyo, Commander-in-Chief.

¹ No. 526.

No. 531

Sir M. Lampson (Peking) to Sir J. Simon (Received April 27, 6 p.m.)

No. 428 Telegraphic: by wireless [F 2186/18/10]

PEKING, April 27, 1933

Military Attaché reports: Japanese troops are withdrawing to the Wall in Lan river sector. This move may be merely a gesture as evidence of good faith as if troops were required on Chinese Eastern Railway, the Lan river line would necessitate fewer than the numerous passes in the Wall.

Repeated to Commander-in-Chief, General Officer Commanding and Mission.

No. 532

Mr. Snow (Tokyo) to Sir J. Simon (Received May 31)

No. 239 [F 3629/1539/23]

Confidential

TOKYO, April 27, 1933

Sir,

In your despatch No. 159¹ (F. 1539/1539/23) of the 17th ultimo, which arrived subsequently to His Majesty's Ambassador's departure on leave of absence, you enquired whether he could confirm that the Japanese Government were ready to seize the oil-workings in Borneo in the event of supplies being cut off from further west. Before leaving, Sir Francis Lindley, in his despatch Confidential No. 192² of the 31st ultimo, had already reported that, in agreement with General Pabst, the Netherlands Minister at this post, he regarded the Japanese Admiralty as quite prepared to take forcible measures, should other means of ensuring their oil supplies prove unavailing in a national crisis. There is accordingly little for me to add in reply to your despatch, except that the Japanese Navy are already believed to possess large oil reserves, ample in an emergency for a considerable time ahead.

2. I may perhaps be allowed to mention that when my wife and myself recently passed through the Dutch East Indies on our way back to this post, the Governor-General of the Dutch East Indies,³ who honoured us while in Java with an invitation to luncheon, informed me that two days previously he had, as recorded in your despatch, ordered the available troops to Borneo to guard the oil-workings at Balikpapan and Tarakan. His Excellency added that he had done so as a measure of immediate urgency and on his own responsibility when news of suggested negotiations for a non-aggression pact between Holland and Japan first reached him. I gathered that it would be the task of the troops in case of emergency not to defend the oil-workings—an undertaking beyond the powers of the forces available—but to destroy them, or at any rate impair them as far as possible.

¹ Not printed.

² No. 475.

³ Jonkheer Dr. B. C. de Jonge.

3. In inferring, as mentioned in your despatch, that these troop-movements had no connection with the recent mutiny on the Dutch warship 'De Zeven Provinciën' the French Ambassador in London bore out what I learned from Monsieur de Jonge. I should be reluctant, however, to follow Monsieur de Fleuriau in attributing the Governor-General's action to the 'state of nerves at present prevailing in some parts of the world'. At any rate on a short acquaintance Monsieur de Jonge did not appear a nervous person. From personal knowledge I believe that General Pabst, too, like many of his race, is of calm and balanced judgment. That said, there may nevertheless be room for some variety of opinion as to what the Japanese Government would consider a crisis acute enough to necessitate their taking the forcible measures in question. It is not specified in your despatch what conditions are contemplated under which the Japanese might be 'cut off from supplies from further West'.

4. In his despatch above-mentioned Sir Francis Lindley reported that he had been informed by General Pabst that notices inspired by the Japanese Admiralty had appeared in the Press in connection with the suggested conclusion of the non-aggression pact. I understand from General Pabst that the notices urged that an Article should be included in the pact guaranteeing Japan free access at all times to the Borneo oil-supplies. The General, who lost no time in notifying the Japanese Foreign Office of his amazement that a stipulation of this kind should be thought to find place in a non-aggression pact, remains of belief that it was this forcible language which led to the abandonment of the pact-project.

I have, &c.,
T. M. SNOW

No. 533

Sir M. Lampson (Peking) to Sir J. Simon (Received April 28, 8 p.m.)

No. 431 Telegraphic: by wireless [F 2839/18/10]

PEKING, April 28, 1933

Chang [Chiang] Mou-lin called again on the evening of April 27th and it became more evident than ever that there is a keen divergence of view between Wang C. W. and Minister for Foreign Affairs as to what is desired *vis à vis* Japan in the north.

2. I informed him, Chang [*sic*] Mou-lin, of what I had said to Vice Minister for Foreign Affairs on April 25th¹ and added that if Chinese had not a united home front amongst themselves it was out of the question for me or any other foreign representative to get mixed up in the affair. Until therefore the former, through Vice Minister for Foreign Affairs, let me know definitely what was being asked for I could move no further.

3. Chang Mou-lin tells me Ho Ying-chin is much exercised as to position which is developing here in north. He fears some political combination,

¹ See No. 526.

independent or semi-independent of Nanking but favourably disposed to Japan. This said Chang Mou-lin would be even worse than advance of Japan upon Tsintsin and Peking.

4. I told Chang Mou-lin that it seemed to me sheer folly that where the Japanese falling back of their own free will east of Lan River Chinese troops should be following them up.² It could only draw sharp and foreign retort in the form of Japanese re-occupation and possibly extension west of the Lan River. Though he quite agreed but [*sic*] difficulty was to restrain leaders at front. However, Wang had telegraphed to Minister of War last night saying present futile propaganda in Chinese press on this point should stop and the Chinese advance eastward of Lan River be checked.

5. I hazarded the view that now Japanese were in fact withdrawing it might no longer be so necessary to discuss cessation of hostilities. Matter might solve itself and necessary vacuum be formed. Chang Mou-lin said that difficulty was that retention of Chinese troops (400,000) was making plight of country so desperate (provision of supplies, commandeering coolie carriers etc.) that some sort of agreement with Japanese was nevertheless desirable. Otherwise there were serious prospects of civil disorder which must at all costs be avoided.

6. If there was any doubt before that I was unwilling to get drawn into any difference of policy between Minister for Foreign Affairs and his colleagues over this my talk with Chang Mou-lin tonight should have given it quietus.

Repeated to Mission, Commander-in-Chief and Tokyo.

² This sentence appears to be corrupt.

No. 534

Sir M. Lampson (Peking) to Sir J. Simon (Received April 28, 8 p.m.)

No. 433 Telegraphic: by wireless [F 2841/18/10]

PEKING, April 28, 1933

At a big dinner with Vice Minister for Foreign Affairs on night of April 27th American and French Ministers and I met the Minister for Industry¹ and all principal Chinese generals now in the North.

2. Minister for Industry who returns to Nanking on April 28th made it perfectly clear that Nanking Government are ardently desirous of cessation of hostilities and want our good offices but cannot agree to anything in writing on the ground that it might be misconstrued as tacit impairment of freedom of action in regard to ultimate recovery of Manchuria. He repeated many times that there was now no further question of China speaking with two voices and that his return to Nanking would mean conversion of Wang Pu to their view.

3. My two colleagues and I met afterwards and decided (a) that I should see Japanese Secretary in charge of Legation and try to draw from him some

¹ Mr. Chen Kang-po.

definition of Japanese idea nearest to cessation of hostilities and (b) that I moreover try and evolve some possible formula for ultimate presentation, if all else failed, by us three to both sides with some [? same] end in view; but we all saw this might be extremely difficult to formulate even for our own guidance.

4. I gave them both the substance of your telegram No. 171.² It tallies very much with what United States Minister has received from Washington.

5. I impressed on Minister uttermost folly of following up any Japanese evacuation of Lan river. He assured me that strict orders had been given to prevent anything of the sort.³

Repeated to Mission, Tokyo and Commander-in-Chief.

² No. 528.

³ See *F.R.U.S.* 1933, vol. iii, pp. 295-6, for the U.S. Minister's report of this meeting.

No. 535

Sir M. Lampson (Peking) to Mr. Ingram (Nanking)
No. 533¹ Telegraphic [F 2833/466/10]

PEKING, April 28, 1933

Kashgar telegram No. 15.²

Matter is one of obvious delicacy. But knowing Minister for Foreign Affairs as well as we do I am ready that you should pass on Consul General's, Kashgar, suggestions to him (see especially last sentence of his telegram) informally in such a manner as you judge best and of course making it clear that it entails no commitments upon our part but is merely the comment of a dispassionate observer as to what he believes to be best in the interest of China.

¹ Repeated by wireless as telegram No. 435 to the Foreign Office (received 6.35 p.m. on April 28).

² In this telegram of April 11 (not printed) referring to the rebellion in Sinkiang, H.M. Consul-General, Kashgar, said that he had 'no information regarding state of affairs North of Tienshan' but that to the South there was 'said to be a rising in all directions'. He thought that any rebellious Government, if independent of China, 'would very soon be dominated by Soviet'. The last sentence read: 'In my opinion Nanking [Government] would be well advised to undertake that in future the Chairman and leading officials would always be Moslem and to offer to negotiate for grant of something equivalent to Dominion status.'

No. 536

Sir M. Lampson (Peking) to Sir J. Simon (Received April 28, 8 p.m.)
No. 437 Telegraphic: by wireless [F 2842/18/10]

PEKING, April 28, 1933

Mr. Shen (see my telegram No. 410)¹ called on evening of April 28th and speaking on behalf of Minister for Foreign Affairs said that Chinese govern-

¹ No. 522.

ment wished friendly powers to make warning representations to Japan against further aggression on China (above are his own words taken down at his dictation).

2. He continued 'informally that Chinese side seem to desire cessation of hostilities practically but without any written agreement. Method might perhaps be discussed later'.

3. I informed him of instructions in your telegram No. 174² just in and that I still was not clear exactly what I was being asked to do; and I intimated that request he had just put forward did not seem to advance matters much.

4. He replied that if through above warning Japanese ceased aggression situation would solve itself.

5. In reply to question he stated intensive fighting is still actually in progress at Nantienmen.

6. I informed him that all I could do was to report to you what he had said.

Repeated to Commander-in-Chief, Tokyo and Mission.

² No. 529.

No. 537

Sir M. Lampson (Peking) to Sir J. Simon (Received April 28, 6.23 p.m.)

No. 441 Telegraphic: by wireless [F 2843/18/10]

PEKING, April 28, 1933

Military Attaché reports, begins:—

Chinese . . .¹ withdrawal of second division from Nanfienmen [Nantienmen] near Kupeikou owing to heavy losses sustained by Japanese bombardment. Latter claim to have dislodged Chinese from this position in order to free Kupeikou from observation, entirely by artillery action and aeroplane bombardment.

In Luan river section Japanese and Manchukuo troops have withdrawn as far as Liushouying but they state that in spite of press reports to the contrary [*sic*] Chinese are not following them up.

Repeated to Commander-in-Chief, General-Officer-Commanding, Mission.

¹ The text is here uncertain.

No. 538

Mr. Snow (Tokyo) to Sir J. Simon (Received April 29, 11.30 a.m.)

No. 121 Telegraphic [F 2847/18/10]

TOKYO, April 29, 1933, 4.30 a.m. [? p.m.]

Mission No. 185 to Peking¹ and Sir M. Lampson's telegram No. 421² (last paragraph).

¹ See No. 539 below.

² No. 526.

French Ambassador informed me today that from conversations with Vice Minister for Foreign Affairs yesterday he had gained very distinct impression that Japanese government did not desire good offices at present. Japanese troops on Luan river were being withdrawn towards the Wall so that if Chinese refrained from following hostilities would cease automatically.

Military Attaché to this Embassy was similarly informed by the general staff yesterday.

Vice Minister for Foreign Affairs whom I met at dinner last night gave me similar impression in the course of a casual conversation. If Chinese re-occupied positions vacated by Japanese on Luan river it did not necessarily follow that latter would retaliate. He also remarked that there were three generals in north China.

Vice Minister for Foreign Affairs is not of course in opposition³ to commit the military. Object of his remarks may have been to stress the fact that the presence of Japanese troops in north China was only due to military exigency; that good offices were not called for by immediate situation; also that they would be premature as there was no third party with whom to reach an agreement.

³ This should perhaps read: 'in position to commit'.

No. 539

Sir M. Lampson (Peking) to Sir J. Simon (Received April 29, 8 p.m.)¹

No. 436 Telegraphic: by wireless [F 2969/18/10]

PEKING, April 29, 1933

Following received from Mission No. 185 of 26th April.

Begins.

Your telegram No. 421 to Foreign Office.²

Minister for Foreign Affairs asked me to see him at his house tonight. He said he had just heard from Vice Minister for Foreign Affairs Liu Chung-Chieh that Chiang Mou-lin had been discussing with you question of mediation with a view to armistice in the North. Chiang Mou-lin was acting without Minister for Foreign Affairs' authorisation and so far as Minister for Foreign Affairs knew had no authority from anyone else. He characterised Chiang Mou-lin as a busybody professor and stated that only possible authority he could have was that of Ho Ying-chin who was a weak but good-natured tool of Chiang.

2. His letter to you³ was entirely personal and private. All he hoped was that you might find occasion perhaps to express to your Japanese colleague in a personal and individual capacity view that on ground of justice and humanity a stop should be put to present hostilities. For any personal and private influence you could exert in this way he would be very grateful.

¹ The filed copy here printed was evidently a repetition of the original telegram and was not received until May 4.

² No. 526.

³ Cf. No. 522.

3. As regards taking of initiative to secure armistice China both on legal and moral grounds has no occasion to do so. Her case is before the League and only course open to her should she desire to take initiative of any sort is appeal to Article 16 of Covenant. This step she is reluctant to take for the moment owing to preoccupation of the Powers and her desire not to embarrass them unduly.

No. 540

Sir M. Lampson (Peking) to Sir J. Simon (Received April 30, 6.30 p.m.)
No. 444 Telegraphic: by wireless [F 2844/18/10]

PEKING, April 30, 1933

My telegram No. 437.¹

My French and United States colleagues and I however agreed that in the changed circumstances it is better now to make no further move at all.

2. Accordingly I have not said anything to Japanese Secretary and do not for the time being propose to do so.

Repeated to Commander-in-Chief and Tokyo.

¹ No. 536.

No. 541

Sir M. Lampson (Peking) to Sir J. Simon (Received April 30, 6.30 p.m.)
No. 447 Telegraphic: by wireless [F 2868/18/10]

PEKING, April 30, 1933

Following received from Mission No. 187, April 28th. Copy to Commander-in-Chief.

Your telegram No. 421 to Foreign Office,¹ 3rd paragraph.

My French colleague tells me that Minister for Foreign Affairs saw French Minister on April 22nd just before latter left for Peking and used language to him somewhat similar to that used to you in his letter of April 20th—see your telegram No. 410.²

2. Yesterday Monsieur Ba . . .³ received instructions to try to elicit from Minister for Foreign Affairs exactly what his verbal representations on April 22nd signified. Minister for Foreign Affairs' reply was practically identical to language used to me on the night of April 26th—see my telegram No. 185.⁴

¹ No. 526.

² No. 522.

³ The text is here uncertain. It was suggested on the filed copy that the name should read 'Padoux'. M. Padoux was the French adviser to the Chinese National Government.

⁴ See No. 539.

No. 542

*Sir M. Lampson (Peking) to Sir J. Simon (Received April 30, 6.30 p.m.)
No. 448 Telegraphic: by wireless [F 2860/18/10]*

PEKING, April 30, 1933

Following received from Mission.

Addressed to Peking telegram No. 189 of April 29th repeated to Commander-in-Chief.

Very confidential

My telegram No. 187.¹

My French colleague tells me in strict confidence that late in March Minister of Foreign Affairs instructed Monsieur Padoux to explore with Suma of Japanese legation possibilities of some arrangement for *general* settlement of Sino-Japanese issue. Suma then left with Japanese Minister for Tokyo and has just returned.

1. Minister of Foreign Affairs has now told Monsieur Padoux to break off his conversations and Monsieur Padoux whom I know to be a staunch advocate of early direct negotiations between China and Japan has come to Nanking to see Wang Ching-wei quietly to have conversation with him this evening.

2. According to my French colleague Padoux's original instructions were simply to explore the ground, to undertake no commitments but to try and elicit Japanese real intentions and what was irreducible minimum of their desiderata.

¹ See No. 541.

No. 543

*Commander, Tientsin Area, to General Officer Commanding, Hong Kong¹
No. 1/5752 Telegraphic [F 2976/18/10]*

TIENTSIN, May 1, 1933

British railway official here reports that one passenger and one mixed train are now being run daily between Changli to [? and] Peitaiho and that it is hoped regular service as far as Chinwangtao will be resumed shortly. He also reports that meetings are now taking place at Shanhaikuan between Major Ochiai Japanese Commander at Shanhaikuan and Mr. Newmarch Peking-Chinwangtao railway representative and two Manchukuo railway representatives with a view to reaching an agreement regarding running of trains into Shanhaikuan station. He does not consider agreement will be reached just yet owing to political issues involved.

Japanese Staff Officer in conversation today Monday spoke of Shanhaikuan railway station including all adjacent railway buildings and locomotive sheds as belonging to Manchukuo and in reply to a question stated as

¹ Copy received in the Foreign Office on May 5.

far as Shanhaikuan area was concerned river Shih Ho would in future be frontier between Manchukuo and China proper, and that both Shanhaikuan railway station, city and all ground from city to river Shih Ho would be controlled by Manchukuo. He also stated Japanese Military will assist in every way possible restoration of through traffic between Chinwangtao and Shanhaikuan provided Chinese railway company recognize[s] it has no claim whatsoever over Shanhaikuan railway station and no right over railway line east of Shih Ho.

No. 544

Mr. Fitzmaurice¹ (Batavia) to Sir J. Simon (Received June 8)
No. 52 [W 6671/663/29]

Confidential

BATAVIA, May 1, 1933

Sir,

I have already had the honour to report in my despatch No. 31 of March 10th on the concern aroused here by Mr. Matsuoka's remarks at the Hague on Japanese interest in New Guinea.² This was but one instance of the nervous anxiety which has been noticeable in Netherlands India ever since Mr. Matsuoka's visit to the Hague was first mentioned. This anxiety has, in the case of the press, amounted to nothing less than a continuous state of fever, the smallest item of news of any fresh Japanese interest in Netherlands India being sufficient to cause a new, even if temporary, rise of temperature.

2. The enclosed translations of articles³ in the 'Java Bode' of March 23rd and 24th, and the 'Nieuws van den Dag' of March 28th, which have also the merit of summarising most of the incidents which have given rise to this anxiety, are fairly typical of the general attitude shown by the Java press in the last two or three months. The tone of the press has, indeed, been unreasonably hysterical, though on the other hand some Japanese activities have so savoured, to say the least, of indiscretion that a certain feeling of uneasiness can well be understood.

3. Of the Japanese activities mentioned, special interest attaches to those in Borneo, in view of the strategic importance of the oilfields of the Bataafsche Petroleum Maatschappij at Tarakan and Balikpapan. In this connection, I have already on previous occasions commented on the strategic position of the Japanese oil concession at Sangkoelirang Bay (e.g. in my despatch No. 80 of August 5th, 1930).³ Added significance is given to this by the recent Japanese desire for wood-cutting concessions on the mainland directly opposite to the island of Tarakan, and to the almost stealthy intrusion of her shipping into the coastal traffic of East Borneo, which matters are referred to in

¹ H.M. Consul-General at Batavia.

² In this despatch (not printed) Mr. Matsuoka was reported to have said that: 'his thoughts have turned to the question whether in such undeveloped territory as Dutch New Guinea the Japanese should not be able to work usefully for the greater welfare of this portion of Netherlands-India, naturally in co-operation with the Dutch'. For Mr. Matsuoka's visit to The Hague, cf. No. 436.

³ Not printed.

paragraphs 2 and 14 respectively of the enclosed article from the 'Nieuws van den Dag'. It is therefore not surprising that these two matters have engaged some attention. In regard to the alleged illicit shipping movements near Tarakan, however, the Netherlands Indian Government has just issued a statement that the visits were not illegal as the assent of the authorities had been obtained: this explanation adds that the Japanese shipping company concerned has been told that no further authorisation for the visits of such ships to this part of the Borneo coast will be given, so it would at least seem that the Government has not entirely concurred with the view of the local authority as to the permissibility of such visits.

4. In this connection a rumour which appeared in the 'Daily Herald' early in March of 'concealed air harbours in Japanese concessions in Borneo' is not entirely without interest. I do not think that any well-informed persons here attached any importance to the rumour in itself, but the publicity given to it, at any rate, was considered by the Netherlands Indian Government sufficiently important to call for an official *démenti*.

5. As if the incidents mentioned had not been sufficient to arouse Dutch uneasiness in regard to *Japanese interest* in strategic points in these islands, some further stir was created a couple of weeks ago by the statement that a Japanese application has been made to establish, for her fisheries in the Straits of Malacca and to the west of those Straits, a base on the island of Pulo Weh, a strategical point of the first importance off the northern extremity of Sumatra. In view of the constant difficulty the authorities are having with Japanese fishing vessels for illicit activity in territorial waters, however, not to mention suspicions of espionage by means of these vessels, it seems most unlikely that such a proposal will meet with official approval.

6. In addition to interest in Borneo, Japan has, as the enclosed press articles indicate, various interests of some importance in New Guinea, Halmahera, and North Celebes, not to mention an important copper concession in Solo and her plantation interests in Sumatra, Java, &c. Her fishery industry in these areas is, too, steadily increasing in importance, growing activity having lately been noted around North Celebes, Amboina, and other regions; this is only too likely to lead to still more numerous contraventions of the Netherlands Indian ordinances on fishing in territorial waters.

7. Even if it may not, at any rate for the present, have any very substantial grounds, therefore, there is some excuse for the 'Japanitis' (as the Resident of South and East Borneo recently called this uneasiness in a press interview) which has lately been prevalent. This fever is, too, naturally excited further by such statements as that recently attributed to a Mr. Okada, of Wakayama, who recently returned from Java to Japan: the 'Osaka Asahi' of March 17th is credited with saying that Mr. Okada, in a lecture to a commercial school, expressed the view that Netherlands India offered a good chance for Japanese expansion as 'there is a movement for an Asiatic League' which aims at 'escape from white domination under the lead of Japan'.

8. There is, of course, no indication of official Japanese association with Netherlands Indian nationalism, but such statements as that just mentioned,

combined with moves such as the present visit of the nationalist leader Mohamed Hatta to Japan (reported in my despatch No. 32³ Confidential of March 14th, 1933) or the efforts of Dr. Soetomo of Surabaya to arrange for Javanese students to visit Japan (referred to in paragraph 17 of my report on the native movement sent to you with my despatch No. 102³ Confidential of December 2nd last) can scarcely fail to act as excitants to sufferers from 'Japanitis'.

9. On the other hand, the recent report of the conclusion of an arbitration treaty between the Netherlands and Japan⁴ has contributed much to allay the prevailing uneasiness, while the local Japanese press, too, has lately adopted a more conciliatory tone towards the Dutch authorities, so it may now be hoped that a calmer and more rational estimation of Japan's interests in Netherlands India may develop.

I have, &c.,

H. FITZMAURICE

⁴ The Japanese-Netherland Treaty of Judicial Settlement, Arbitration and Conciliation signed at The Hague on April 19, 1933, is printed in *B.F.S.P.*, vol. 136, pp. 731-8.

No. 545

Sir M. Lampson (Peking) to Sir J. Simon (Received May 2, 6.30 p.m.)

No. 456 Telegraphic: by wireless [F 2974/18/10]

PEKING, May 2, 1933

My telegram No. 444.¹

In after dinner conversation on May 1st Na(kayama?) stated that though fighting might for the moment have stopped Chinese and Japanese armies were still facing one another only two miles apart near Nantienmen. Unless something were done to stop further hostilities they might go on pursuing [*sic*] one another indefinitely.

2. I said that if he had anything concrete to suggest to stop further hostilities I was very ready to see what could be done. But I knew that Chinese would not do anything which might be construed as compromising their attitude on future freedom of action as regards regaining Manchuria. He replied that he knew that and if he were a Chinese would feel the same. But might not both Chinese and Japanese address letters to some *third* party agreeing not to advance into a certain zone (I gathered about 10 miles south of the Great Wall). I observed that that at least might merit consideration but from my observations had gathered during the past few days that Chinese might be reluctant to make any further diplomatic movement on the argument that things were automatically settling themselves.

3. He took the line that Japanese government did not know with whom they might find themselves dealing on this. Was it Central government or only local military commanders? I replied that I feared I could not enlighten

¹ No. 540.

him. I had had the same difficulty during the past few weeks which was the main reason why I had felt obliged to draw back.

4. I do not propose to take any action on the above unless further developments occur.

Repeated to Mission, Tokyo and Commander-in-Chief.

No. 546

Sir M. Lampson (Peking) to Sir J. Simon (Received May 6, 9 a.m.)

No. 475 Telegraphic: by wireless [F 3024/4/10]

PEKING, May 5, 1933

My telegram No. 404.¹

No payments have yet been made and instalment[s] due in March and April are being retained by Inspector General of Customs pending instructions from Ministry of Finance. Inspector General of Customs wrote confidentially on April 28th to Vice Minister of Finance (Minister of Finance being now in America) suggesting that British and American instalments for March should now be paid as failure to do so would be prejudicial both to reputation and credit of Chinese government.

(? Mr. Cox)² reports he was informed by financial secretary of customs that Vice Minister of Finance has no power to order payment and has telegraphed to Minister of Finance for instructions. I suspect that Soong may desire to withhold payment pending possible conferences at Washington and London with a view to easing payment or extending moratorium.

Mr. Ingram mentioned this question to Minister for Foreign Affairs who expressed incredulity at non-payment and promised to speak to Vice Minister of Finance. At Minister for Foreign Affairs' request Mr. Ingram has sent him brief memorandum. Minister for Foreign Affairs has since spoken to Vice Minister of Finance who states that steps are being taken to find requisite funds for payment.

United States Minister is addressing official note to Waichiapou with regard to non-payment of March instalment³ and secretary in charge of

¹ This telegram of April 22 to the Foreign Office (received at 6.15 p.m.) stated that on the instructions of the Minister of Finance funds for the payment of the instalments of the British Boxer Indemnity for the year 1933 were to be held in abeyance.

The Chinese Government had been granted a moratorium for the 1932 instalment of the Indemnity by the British, United States, and Italian Governments, and had applied on February 23, 1933, for a further moratorium in respect of the 1933 instalment due on March 1. It had been decided to refuse to grant a further extension and on April 13 Sir M. Lampson had communicated a note to this effect to the Chinese Ministry of Foreign Affairs simultaneously with similar notes from the Italian and U.S. Legations; cf. *F.R.U.S.* 1933, vol. iii, p. 670.

² Mr. A. T. Cox was Archivist in H.M. Legation, Peking.

³ Cf. *F.R.U.S.* 1933, vol. iii, pp. 670-1.

Italian Legation has promised to let me know shortly position with regard to Italian instalment.⁴

Repeated to Commercial Counsellor Shanghai, copied to Mission.

⁴ Sir M. Lampson's telegram No. 425 to the Foreign Office of April 26 reported that the Italian Chargé d'Affaires had been told by the Inspector General of Customs that payment to the Italian Government of the March instalment was being made in U.S. dollars. The Chargé d'Affaires was instructed by his Government to say that they accepted this payment out of courtesy to the Chinese Government although it was contrary to the Sino-Italian agreement of 1925 which specified the gold dollar as the medium of payment. Cf. No. 580 below, note 1.

No. 547

Sir M. Lampson (Peking) to Sir J. Simon (Received May 8, 7.20 p.m.)

No. 478 Telegraphic: by wireless [F 3065/18/10]

Confidential

PEKING, May 8, 1933

I am informed by Mr. Ingram that Wang Ching-wei who had apparently gradually been brought round by Chiang Kai-shek to the view that situation in North China must be alleviated by military armistice has changed his mind from fear of Canton reactions and in view of Japanese withdrawal from Lan river. Minister for Foreign Affairs is still violently opposing suggestion of armistice although director of department of international affairs told Mr. Ingram in strictest confidence that Minister for Foreign Affairs like every other reasonable Chinese realises that probably some form of armistice is necessary but for political reasons neither he nor any other member of the Chinese government dare take the initiative.

In the meantime Minister for Foreign Affairs has sent me a personal message enquiring whether I have been able to do anything as a result of his letter of April 20th see my telegram No. 410.¹ He appeals to me on the grounds of personal friendship as well as on general grounds for [? of] humanity to do something to stop further Japanese aggression.

Repeated to Tokyo, and General Officer Commanding.

¹ No. 522. The message here referred to appears to be that in Mr. Ingram's telegram No. 205 to Peking (repeated to the Foreign Office in Peking telegram No. 489 of May 9) which referred to enquiries by the Minister for Foreign Affairs as to 'whether you have been able to do anything as a result of his personal letter of April 20th. If not he appeals to you again on grounds of your personal friendship for him as well as general grounds of humanity to do something to stop further Japanese aggression in the north.'

No. 548

Mr. Snow (Tokyo) to Sir J. Simon (Received May 9, 2.10 p.m.)

No. 126 Telegraphic [F 3071/18/10]

TOKYO, May 9, 1933, 7.15 p.m.

Military Attaché was informed by General Staff this morning that owing to the concentration of large bodies of Chinese troops in the vicinity of the

Wall, the Japanese had been forced to launch a general offensive against the Japanese¹ on May 7th–May 8th. Military attaché was informed that the Japanese had no immediate intention other than to drive the Chinese back and to deal them a vigorous blow. It was hoped that this would be sufficient to cause a cessation of hostilities.

Repeated to Peking for Commander-in-Chief.

¹ A note on the filed copy here reads ‘? Chinese’.

No. 549

Sir M. Lampson (Peking) to Mr. Ingram (Nanking)

No. 557¹ Telegraphic [F 3083/18/10]

PEKING, May 9, 1933

Your telegram No. 205.²

With the very best will in the world to help I cannot do so unless Minister for Foreign Affairs is more precise as to what he wants done. If for example he would give me anything *definite* with which I could go to the other side I would most gladly study the possibilities. But matter is far too delicate, as Minister for Foreign Affairs will recognise, to handle on a basis of generalities.

Repeated to Tokyo, Commander-in-Chief and Foreign Office.

¹ Repeated by wireless unnumbered to the Foreign Office, received on May 9 at 8 p.m.

² See No. 547, note 1.

No. 550

Sir M. Lampson (Peking) to Sir J. Simon (Received May 10, 9.30 a.m.)

No. 486 Telegraphic: by wireless [F 3085/2717/10]

PEKING, May 9, 1933

My telegram No. 416.¹

I understand that Minister of Finance has not yet decided whether to go to Economic Conference or not. I feel that after his present visit to United States² it would be wise policy to encourage him to go to England. He was much flattered by United States President's personal invitation to him to visit Washington and would, I know, much appreciate an invitation to visit London. As you are aware he is not only important politically but extremely susceptible to flattering personal treatment.³

Repeated to Mission, Commercial Counsellor.

¹ In this telegram of April 24 (not printed) Sir M. Lampson said that he gathered from Chinese sources that Mr. T. V. Soong ‘who recently left via America to attend Economic Conference has hopes of raising Far East question possibly on lines that stability etc. in the Far East has an obvious bearing on world economics’.

² Cf. No. 524, note 5.

³ The Prime Minister minuted on this telegram as follows: ‘I think this ought to be done.’ Sir M. Lampson was informed in Foreign Office telegram No. 195 of May 12 that Mr. Soong was receiving, through H.M. Ambassador at Washington, an informal invitation to visit London before his return to China, see No. 557 below.

No. 551

Sir M. Lampson (Peking) to Sir J. Simon (Received May 10, 9.30 a.m.)

No. 487 Telegraphic: by wireless [F 3086/18/10]

PEKING, May 9, 1933

Military Attaché reports, begins:

Japanese on their withdrawal from Luan River made it clear they intended to have no Chinese troops in the triangle of Luanchow-Hsifengkou-Shanhaikuan. In spite of clear warnings Chinese army re-occupied this territory, announcing great victories until they came in contact with the Japanese and Manchukuo forces in the neighbourhood of Peitaiho. Japanese started an offensive on the morning of May 7th and by 11.30 p.m. last night had occupied Peitaiho junction. Fighting is also reported further north. There is no doubt that Chinese will be easily swept back and only question appears to be whether Japanese military will now insist on Luan River as frontier and maintain posts at crossings.

Repeated to Commander-in-Chief, General Officer Commanding, Mission.

No. 552

Sir M. Lampson (Peking) to Sir J. Simon (Received May 10, 9.30 a.m.)

No. 492 Telegraphic: by wireless [F 3087/18/10]

PEKING, May 9, 1933

His Majesty's Consul-General, Tientsin, reports Kailan Mining Administration agent, Chinwangtao, had arranged for a meeting to take place May 7th at Kailan Administration between General Ho Chu-kuo and Japanese Commander at Chinwangtao to open negotiations for the resumption of through traffic on the railway to Chinwangtao. Meeting was to be strictly informal. Japanese Commander however at the last moment refused to attend although previously it was Japanese who had expressed the wish for such a meeting.

It seems probable that this sudden change of mind was due to the fact that Japanese had already decided to advance and Kailan agent reports that during the night of May 7th-May 8th under pressure of forces advancing from the East Chinese troops fell back from Peitaiho to Changli and he understands that retreat is continuing. Agent has proceeded in the direction of Peitaiho for a personal interview with General Ho Chu-kuo to request him in case of general retreat to use his influence to prevent damage to railway tracks and especially Luan river bridge.

Repeated to Commander-in-Chief, General Officer Commanding, Mission.

*Record by Mr. Orde of a conversation between Viscount Cecil of
Chelwood and Sir R. Vansittart*

[F 3128/3128/23]

FOREIGN OFFICE, May 9, 1933

Lord Cecil came to see Sir R. Vansittart to-day. I was present during the first part of the conversation and the Far Eastern question was the topic.

Lord Cecil said that feeling in the country though not in London was strong against Japan and he felt that something should be done to bring her to reason. He considered that all countries should refuse to import Japanese goods.

Sir R. Vansittart pointed out the danger of violent action by Japan in retaliation for such an embargo and said that his impression in Washington was that the present United States Government were entirely opposed to strong action against Japan. They were in fact nervous at what their predecessors had done. Lord Cecil expressed disbelief in the danger of Japan doing anything violent and contended that she was bound to give in if the world took the action he suggested. He agreed that the co-operation of the United States Government was essential. If it was true that they would not co-operate might we not put the question to them? A negative answer would at least show the world that the difficulty did not lie with His Majesty's Government, as was freely asserted by the French and others. The question could be raised direct at Washington or before the Advisory Committee appointed by the Assembly to assist it in dealing with the Manchurian dispute.

Sir R. Vansittart promised to record what Lord Cecil had said.¹

C. W. ORDE

¹ A minute on the file by Mr. Allen reads: 'The gist of this was included in the brief prepared for Lord Hailsham for yesterday's debate in which Lord Cecil raised the question of the policy of H.M.G. in the Far East. R. Allen 12/5.' See 87 *H.L. Deb.* 5 s., cols. 872-904.

Sir M. Lampson (Peking) to Sir J. Simon (Received May 10, 6.20 p.m.)

No. 498 Telegraphic: by wireless [F 3130/18/10]

PEKING, May 10, 1933

Military Attaché reports.

Chinese cavalry who re-occupied territory east of Luan river are retiring without fighting. Japanese Manchu mechanized force has entered Yung-pingfu. Another column from Lengkou has occupied Chienan. General Ho Chu-kuo states he intended to hold bridgehead east of Luanchow and will be obliged to destroy bridge if forced to evacuate as mechanized vehicles can

cross the river by bridge as well as trains. Chinese are apprehensive of area east of Luanchow being used as a base for a further drive towards Tientsin.

Repeated to Commander-in-Chief, Mission and General Officer Commanding.

No. 555

Mr. Snow (Tokyo) to Sir J. Simon (Received May 11, 1 p.m.)

No. 127 Telegraphic [F 3131/18/10]

TOKYO, May 11, 1933, 6.13 p.m.

My telegram No. 126.¹

From names of formation unit commanders appearing for first time in the press today it seems probable that 11,000 from 14th Division and a 6,000 cavalry formation have been sent to Luan river area from North Manchuria. If this is so it is likely that Japanese contemplate more serious measures than during their former advance from the Wall. General staff will give Military Attaché no information beyond stating that Japanese troops have not yet crossed Luan river.² Press suggest however that Yungping-Peking road is probable immediate military objective.

Repeated to Peking for Commander-in-Chief.

¹ No. 548.

² In his immediately following telegram, No. 128 of May 12, Mr. Snow reported that the Military Attaché had been informed by an officer of the General Staff that afternoon of a Japanese advance to Kuyuan on the Dolonor-Kalgan Road but that 'there was no present intention of advancing either on Peking or Tientsin'.

No. 556

Mr. Fitzmaurice (Batavia) to Sir J. Simon (Received June 14)

No. 56 [W 6984/663/29]

Confidential

BATAVIA, May 11, 1933

Sir,

I have the honour to invite your reference to my confidential despatch No. 52¹ of May 1st regarding Japanese interest in Netherlands India, in paragraph 5 of which despatch I alluded to a Japanese proposal to establish a fishery base on Pulo Weh, an island lying to the north of Sumatra.

2. Vice-Admiral Osten, the Commander-in-Chief of the Dutch Naval Forces in Netherlands India, referred, in an informal conversation with me yesterday evening, to the increased interest shown by Japan in this colony, and in particular to her growing fishery activities, I then mentioned the Japanese application, reported in the press, for a fishery station at Pulo Weh, and he informed me that the request would certainly not be granted.

3. The Admiral takes a much more serious view than many Dutch civil officials of Japanese fishery activities in Netherlands Indian waters; and,

¹ No. 544.

comparing the Pulo Weh application with Japanese fishery developments in British North Borneo, he indicated plainly that he regretted the policy of the Government of British North Borneo in encouraging the expansion of the Japanese fishery industry in that territory. The difference of the viewpoints of the Netherlands Indian Government and the Government of British North Borneo on this subject has, however, already been brought to your notice in Mr. Acting Consul-General Bailey's confidential despatches from Batavia No. 25 of March 9th, 1932² and No. 37 of April 21st, 1932.³

I have, &c.,

H. FITZMAURICE

² Volume X, No. 47.

³ Not printed.

No. 557

Sir J. Simon to Sir R. Lindsay (Washington)

No. 257 Telegraphic [F 3074/2717/10]

FOREIGN OFFICE, *May 12, 1933, 7 p.m.*

Please unofficially inform Mr. T. V. Soong, Chinese Minister of Finance, that if his plans permit His Majesty's Government would greatly appreciate a visit from him to London before his return to China, and would welcome the opportunity of discussing with him questions of common interest to China and the United Kingdom. If he is to represent China at the World Economic Conference (as to which we have no definite information) we would suggest that he should if possible arrive a few days in advance, when I and my colleagues will be less preoccupied than later.¹

¹ Sir R. Lindsay replied as follows in Washington telegram No. 311 of 1 p.m. on May 14 (received in Foreign Office at 9.30 a.m. on May 15): 'T. V. Soong is very grateful for your message. He will be delegate of Conference but will only be able to attend first part of it. He looks forward to conversations with you.'

No. 558

Sir M. Lampson (Peking) to Sir J. Simon (Received May 12, 9.40 p.m.)

No. 507 Telegraphic: by wireless [F 3195/18/10]

PEKING, *May 12, 1933*

Military Attaché reports that Japanese troops are approaching Luan River but there is no definite news as to their having crossed yet.

There are indications that the Japanese are preparing to deal a really heavy blow at the four southern divisions at present holding Kupeikou sector. These are 25th and 83rd now in position one mile in the rear of Nantienmen with 2nd division in support and 44th on the wall at Chiangt-zulukou. They form the 17th army under Hsu Ting-yao. Preliminary

attack accompanied by heavy artillery and aeroplane bombardment began on the night of May 10th. Chinese estimate the Japanese force at four regiments of Infantry and two of Artillery with tanks and A[rmoured] F[ighting] V[ehicles].

No reserve positions have been prepared between Miyun and Peking.

It seems that the Japanese intention is to hold the line of Luan River and salient as far as Miyunhsien until the Chinese definitely agree to recognise the areas beyond as demilitarized zone.

Repeated to Commander-in-Chief, General Officer Commanding, Mission, Tokyo and Tientsin.

No. 559

Sir M. Lampson (Peking) to Sir J. Simon (Received May 12, 10 p.m.)

No. 509 Telegraphic: by wireless [F 3196/18/10]

PEKING, May 12, 1933

Vice Minister for Foreign Affairs and other statesmen are greatly alarmed at advance of Japanese from Kupeikou towards Miyun 40 miles north east of Peking where a battle appears to be impending and rumours of Manchukuo plots in the City are again current. On May 7th Chang Chin-yao (notorious former northern militarist) was assassinated at Wagon-Lits Hotel. His assailants escaped. Vice Minister for Foreign Affairs informs me that documents seized¹ show that Chang was concerned in plot timed to coincide with Japanese attack from Kupeikou for setting up independent régime under Tuan Chi-jui;² but there was no evidence involving latter whose name it is presumed was taken in vain.

2. Japanese aeroplane possibly two again flew over Peking early this morning May 12th and was fired at without effect by Chinese machine guns.

3. Chinese Head Quarters have furnished me with copy of leaflet which they state was dropped yesterday, see my telegram No. 501.³ It is composed in literary style (unlike previous ones which were in simplest language). Allied Japanese and Manchukuo Army is represented as marching to rescue people of a friendly country from the tyranny of militarists. Leaflet goes on to attack Chiang Kai-shek by name, warns Chinese troops not to suffer useless sacrifice as his tools and appeals to them as members of eastern Asiatic race. If Chiang Kai-shek persists in his career of violence it is to be feared that the tragic conditions of Kupeikou will be repeated in Tientsin and Peking.

4. According to my United States colleague on May 6th Japanese General-Officer-Commanding, Tientsin informed correspondent of 'New York Times' for publication that impending Japanese offensive from Kupeikou was to be on much larger scale than hitherto and was intended to destroy

¹ A marginal note on the filed copy here read: 'where were they seized?'

² Cf. No. 287 and No. 497, §16.

³ This telegram of May 12 (not printed) stated that Japanese aeroplanes flew over Peking early on May 11 dropping leaflets urging the Chinese to cease resistance. Cf. *F.R.U.S.* 1933, vol. iii, pp. 315-16.

Chinese armies between Peking and the sea. At same time Suzuki [? Suma] of Japanese Legation who is in Peking was busy assuring everyone that Japanese advance had no other object than to clear Chinese troops from vicinity of the Wall and that Japanese Government were only too anxious to reach a peaceful settlement. My United States colleague confessed himself as completely nonplussed by these conflicting reports.⁴

5. While real intentions of Japanese remain matter of conjecture facts generally fit in with theory that as well as clearing Chinese troops from the Wall their object is to terrorise present Peking authorities and secure elimination of southern troops and establish new pro-Japanese régime in Peking—a move I have all along felt pretty certain was at the back of their policy.

6. By mandate of May 4th a new Peking political council has been created as a branch of executive Yuan to control affairs of northern provinces in succession to Chang Hsueh-liang's defunct north eastern political committee. New council includes amongst its members northern generals and politicians of all factions including the Anfu clique and is evidently intended to embrace conflicting northern interests as a safeguard against separatist intrigues. Chairman is Huang Fu who is expected in Peking next week. Local Chinese circles are cynical about prospects of establishment of new council otherwise than on paper.

7. Military situation is reported in my telegram No. 507.⁵

Repeated to Commander-in-Chief, General-Officer-Commanding, Mission Tientsin and Tokyo.

⁴ See *F.R.U.S.* 1933, vol. iii, pp. 310-11.

⁵ No. 558. The above telegram was minuted on the file by Mr. Orde and Sir R. Vansittart, and initialed by Sir V. Wellesley, as follows: 'I don't read the two statements reported in para. 4 as conflicting with each other. The soldier's statement probably represents the military steps considered necessary to attain the object stated by the civilian. The mild measure of merely pushing the Chinese back and then retiring, hoping to leave a vacuum, has already been tried and failed, because the Chinese foolishly filled the vacuum. The soldiers now rather naturally want to try the other method of destroying the possible contents of the vacuum. The Chinese are really past praying for; when the Japanese advance they fall into a panic; when the Japanese retire they follow them up & boast of victories. They appeal for our assistance with discordant voices as to what they really want & give us no possible basis for action. In the circ^e it seems impossible to say anything to the Japanese except strictly, if necessity arises, on behalf of threatened British interests. If we tried to stay the Japanese hand they would ask us whether we really expect them to stay strictly on the line of the Wall and be shot at indefinitely. If we answered at all we could only do so in lame terms or futilely say that we expected them to conform to the Assembly's report. That report really debars us from giving the Chinese sound advice, except quite privately, as Sir M. Lampson has done, and there seems nothing for it but to sit still & leave any action to the League Committee. C. W. Orde. 16/5.' 'V. W. 16/5/33.' 'I agree with all Mr. Orde's minute. R. V. May 17.'

In a letter of May 15 to Mr. N. B. Ronald, Assistant Private Secretary (Diplomatic) to the Secretary of State for Foreign Affairs, Mr. N. Butler, Private Secretary to the Prime Minister, wrote: 'The Prime Minister read various telegrams from Peking during the weekend, and minuted No. 509 of May 12th as follows:—"We ought to be thinking about the end of this which is apparently Japanese victory both military and political, for only upon that assumption shall we be safe."'

*Mr. Snow (Tokyo) to Sir J. Simon (Received June 9)**No. 269 [F 3825/2797/23]*

TOKYO, May 12, 1933

Sir,

With reference to my telegram No. 119¹ of the 28th ultimo I have the honour to report that Mr. Yosuke Matsuoka reached Yokohama on the 27th ultimo on his way back from the United States to this country, after representing Japan at Geneva during the later proceedings of the League of Nations in connection with the Sino-Japanese dispute. His arrival coinciding with a national holiday, immense crowds turned out and accorded him a welcome worthy of a national hero. After reaching Tokyo, his first act was to proceed to the open space in front of the Imperial Palace where he bowed as a mark of respect to the Emperor: he then proceeded to the Gaimusho to report upon his mission. On the following day he was received in special Audience by the Emperor and Empress, while on the 1st instant he was invited to a luncheon at the Palace at which the Japanese delegates to the forthcoming conversations at Washington and the London Economic Conference were also present.

2. Mr. Matsuoka's reception by the public was only the more striking, seeing that he enjoys perhaps but moderate personal popularity, while on his own admission as well as in the view of responsible and well-informed circles here, his mission to Geneva had been a complete failure. The return of a delegate, who, *unus contra mundum*, had defended his country with vigour and eloquence, no doubt contained in any case the elements of dramatic appeal. Even so, the warmth of Mr. Matsuoka's welcome must be taken as additional proof, if any were required, of the weight of public opinion supporting Japan's action in regard to Manchuria and her withdrawal from the League of Nations.

3. As one of the vernacular newspapers observed, 'Whether Mr. Matsuoka succeeded or failed doesn't matter'. Other newspapers (the 'Nichi-Nichi' and the 'Asahi') expressed gratification that Mr. Matsuoka had at last launched Japan on the path of independent action, her diplomatic policy having hitherto been one of mere subservience to other countries. The 'Chugai Shogyo' excused him from all blame for his failure, asserting that his unflinching conviction and indomitable will had only accelerated the severance of Japan's relations with the League which had been bound to occur sooner or later. The 'Jiji' even maintained that as the spokesman of Japan he had been entirely successful.

4. In declining numerous invitations to attend special receptions in his honour Mr. Matsuoka displayed becoming modesty. But he has delivered two broadcast addresses and given a number of interviews to the Press. During one of the latter, as will be seen from the enclosed extract from the 'Japan Advertiser' of April 28th,² he spoke of Lord Lytton in bitter and offensive terms.

¹ Not printed.² Not reproduced.

5. On May 2nd Mr. Matsuoka, in the course of a courtesy visit which he paid me to request me to convey to you, Sir, his sincere appreciation of all the assistance which you had rendered to the Japanese Delegation at Geneva, observed that, as far as England was concerned, the League had evidently been her first consideration in the chaotic state of Europe and the Far East was of relatively secondary importance. He then went on to say that he himself fully understood, accordingly, why, after their previous display of goodwill towards Japan, the British Delegation at Geneva in January/February last had had, at the last minute, to change their front. In Cabinet circles here, however, the reasons were not understood, and accordingly he, Mr. Matsuoka, had devoted his time in Tokyo to explaining England's position to Cabinet members, and he thought he had succeeded. He had stated his views in a broadcast address the previous day, which perhaps I had seen?

6. Mr. Matsuoka added that this change of front was the first reason of Japan's failure at Geneva and that the activities on which Lord Lytton had engaged after his return to Europe were the second.

7. I replied that I gladly accepted Mr. Matsuoka's assurance of his appreciation of the arduous efforts which you, Sir, were well known to have made at Geneva, with little assistance from other Delegations, to see that no single point in Japan's case was overlooked. As regards Lord Lytton, I said that in any case Mr. Matsuoka must be well aware that His Lordship was only in a position to express his own views and not those of His Majesty's Government. I added that I did not understand Mr. Matsuoka's allegations since, having been in London in November last, I had followed with attention what Lord Lytton had said in the House of Lords on the Sino-Japanese dispute³ and I should have thought that the fairness and impartiality of his remarks must have been conspicuous to everyone.

8. The broadcast address of the previous day, to which Mr. Matsuoka referred in this conversation, was published in the vernacular press only, and, as I made it clear to him at the time, I had not seen it when he spoke to me. From a summary which I subsequently obtained, it appears that Mr. Matsuoka expressed himself as follows:—

'All Powers are not necessarily ill-disposed towards Japan, but Britain, which exerts a dominating influence over the League of Nations, suddenly changed her attitude in the middle of the League Assembly owing to the threatened anti-British boycott movement in Central and South China. This sudden change in the British attitude was the major factor in forcing Japan to withdraw from the League.'

9. The Press extracts enclosed in Sir Miles Lampson's despatch No. 208⁴ of the 20th February last show that the Shanghai newspapers, at the end of January last, carried a number of articles threatening an anti-British boycott in retaliation for an alleged secret agreement between Great Britain and Japan; but that it was stated on February 8th that as a result of Sir Miles Lampson's reports on subsequent conversations with Lo Wen Kan at Nanking, 'the British Government's attitude had changed.'

³ See 85 *H.L. Deb.* 5 s., cols. 990-4.

⁴ Not printed.

10. It will be seen, then, that Mr. Matsuoka spent the first days and even the first moments of his return in rounding on his country's most effective supporter at Geneva, which he made the scapegoat of his own ill success. That accomplished, he called with his message of gratitude. As regards the Japanese Cabinet and public, he has gulled them with a mischievous version of events. His efforts have only been rendered additionally dangerous by the misleading substratum of circumstantial evidence. This, to the impressionable public, seems all of a piece with the passage in the League Report, which Mr. Matsuoka described in his speech of the 24th February last⁵ as a direct encouragement of the Chinese boycott, and which now is regarded by almost everyone here as a British effort to further British trade in China at Japan's expense.⁶

I have, &c.,
T. M. SNOW

⁵ Cf. *L.N.O.J.*, S.S. No. 112, p. 20.

⁶ Some extensive minutes, reflecting on the future of Anglo-Japanese relations, were attached to this despatch after its receipt in the Foreign Office on June 9. Dealing with Mr. Matsuoka's comments on the earlier negotiations, Sir J. Pratt wrote on June 29 as follows: 'I do not think we need waste much time over the attack on Lord Lytton. The Lytton Report pronounced Japan to be in the wrong and it is not unnatural that the Japanese, who cannot believe that their country can possibly be in the wrong, should jump to the conclusion that the Author of the Report was not impartial. . . . The worst that can be said of Mr. Matsuoka's attack on Lord Lytton is that it is ill-mannered and in bad taste: the explanation is that Mr. Matsuoka has the reputation—even among his own countrymen—of not being quite a gentleman. Much more dangerous and insidious is the charge that in January/February last the British Government changed their front on account of a threatened anti-British boycott in China. It is difficult to estimate how much of knavery and how much of mere stupidity there is in this charge. The Manchurian problem could only be solved by bringing China and Japan into negotiation. So long as there was the faintest hope of effecting this the British representative laboured hard to hold the balance even, to make every possible concession to the Japanese point of view and to head off anything that might make conciliation impossible. This attitude earned the gratitude of the Japanese delegates but they were warned over and over again that there could be no sacrifice of League principles, that it was up to them to make conciliation possible and that, if conciliation broke down we should have to act as loyal members of the League. If these warnings did not sink in this can only be due to the stupidity of the Japanese delegates. They could have got the substance of all they wanted by agreeing to some harmless formula recognising China's sovereignty over Manchuria but they persisted in the foolish belief that the League could be persuaded to abandon its principles and recommend negotiations on the basis of the independence of Manchukuo. No reproach can possibly be levelled at the League for deciding to reject this dishonourable course or at us for the part we played in the reaching of this decision. With regard to the boycott, an American journalist [cf. No. 155, note 3] invented the story that the Japanese had withdrawn from Shanghai in the spring of 1932 as part of a secret bargain with Great Britain by which we promised to accord them a free hand in Manchuria provided they kept their hands off China proper. . . . J. T. Pratt 26/6/33.'

No. 561

Sir M. Lampson (Peking) to Sir J. Simon (Received May 13, 6.15 p.m.)
No. 515 Telegraphic: by wireless [F 3212/18/10]

PEKING, May 13, 1933

Following received from Mission.

Addressed to Peking No. 212 May 11th, repeated to Commander-in-Chief.

Your telegram No. 557.¹

I gave Minister for Foreign Affairs copy of your message this morning. He said it was quite impossible for him to give you anything definite. If he asked you to evolve a concrete proposal to the Japanese, latter would promptly jump to the conclusion that he was ready to negotiate. He was not prepared to negotiate anything at all with them while they remained on Chinese soil and did not withdraw to the railway zone in Manchuria as originally prescribed by the League. So long as he was Minister for Foreign Affairs this would be his attitude. To negotiate an armistice which left Japanese the other side of the Wall or which provided for a neutral zone inside the Wall was unthinkable and would be supported by . . .² their occupation of territory which China still claimed with the League's support to be rightly hers. Situation was governed by League resolution of February and was in the hands of the League Committee set up to 'follow' it. If the Japanese continued their aggression, well things must rip.

2. In short Minister for Foreign Affairs still remains outwardly unconverted (see second paragraph of your telegram No. 433 to Foreign Office).³

¹ No. 549.

² The text is here uncertain.

³ No. 534.

No. 562

Sir J. Simon to Sir M. Lampson (Peking)
No. 363 [F 3221/18/10]

FOREIGN OFFICE, May 15, 1933

Mr. Quo Tai-chi told me to-day that he had received a despatch from his Government on the Sino-Japanese situation. The Japanese troops had retaken the triangle inside the Great Wall, alleging that they had been forced to do so by provocative action on the part of the Chinese. This, according to the Minister, was the usual excuse and was without foundation. Japan appeared to be pursuing the policy of advancing into northern China, which would involve the taking of Tientsin and Peking, with the idea of creating a buffer state of Hua-pei-kuo (State of Northern China), which would extend as far as the Yellow River. If they succeeded in creating such a buffer state, Manchukuo itself might become more definitely part of the Japanese Empire.

2. I reminded Mr. Quo Tai-chi that he had sketched out this possible development in a conversation I had had with him at Geneva some months ago (see my despatch No. 3 from Geneva¹—printed China: Section 2 of January 20th).

¹ No. 218.

3. The Minister went on to declare that, however far Japan advanced into China, there would be no question of the Chinese Government entering into a treaty which would recognise the loss of territory. Even if Japan were to seize the whole of China, this would remain the fixed determination of the Chinese—no Chinese Government could live which took any other course. The significance of this declaration was made plain when the Minister went on to refer to the recent action of the Government of Nanking in sending Mr. Liu, the permanent Vice-Minister, and a Foreign Office official to see you and other foreign diplomats with a view to urging that you should address a serious warning to Japan against further advance.² He said that what was proposed did not and could not involve any idea of an armistice or truce and that no suggestion to such an effect had been made. He added that you had declined to act unless you first knew exactly what you were asked to do and I indicated my approval. Mr. Quo Tai-chi observed that in the earlier stages of the Japanese advance, foreign Powers had addressed warnings to Japan, having regard to the Nine-Power Treaty and the Kellogg Pact, but that no protests were now being made, although the advance now threatened was one which involved very important British interests. I said that I had not failed to bear this fact in mind and, indeed, had brought it to the attention of the Japanese authorities. The improvement in the situation seemed largely dependent on whether the Chinese adopted a definite policy for themselves. The Minister deplored the increasing lack of interest shown by the Great Powers in Europe in Far Eastern affairs. The Japanese military class, he declared, had a great admiration for Prussian military methods, and the way in which Japan was accomplishing her purpose in the Far East had its reaction in the recent attitude of Germany.³

4. Before leaving, the Minister called my attention to a telegram from Ottawa of May 8th appearing in the *Manchester Guardian* the next day which reported that Sir Francis Lindley, in an interview published in the *Winnipeg Free Press*, had expressed his sympathy with the Japanese, declaring that they had much provocation for their actions in Manchukuo and that the Chinese were extremely anti-foreign, and concluding by declaring that Japan's friendship meant more to Great Britain than China's. I said that I had not previously seen the report and that it seemed to be very improbable that it was accurate, since our diplomatic representatives were not accustomed to make statements to interviewers in the course of their journeys home.⁴

I am, &c.,

JOHN SIMON

² Cf. Nos. 520 and 522.

³ A reference possibly to German demands at the Disarmament Conference; cf. Volume V, Chapter III.

⁴ The question of the alleged interview given by Sir F. Lindley was raised in the House of Lords by Lord Cecil on May 11, 1933 (see 87 *H.L. Deb.* 5 s., cols. 875-6 and 894-5), and in the House of Commons on May 17 (see 278 *H.C. Deb.* 5 s., cols. 340-1); see also Sir J. Simon's statement on May 29 that Sir F. Lindley had informed him that the report was 'not correct' (*ibid.*, col. 1530).

No. 563

Sir M. Lampson (Peking) to Sir J. Simon (Received May 15, 7 p.m.)

No. 521 Telegraphic: by wireless [F 3229/290/10]

PEKING, May 16, 1933, 3 a.m.

Kailan Mining Administration Tongshan report to me that full retreat of Chinese troops in progress as a result of developments in military situation further north. Nathan in exercise of right under hire purchase agreement 1930¹ has notified railway that he is withdrawing from circulation rolling stock including 18 locomotives and 600 wagons which are the property of Kailan. He requests appropriate representations may be made to Chinese authorities against removal of rolling stock beyond limits imposed by agreement (i.e. west of Tientsin) and he is anxious that British military picket should be placed at Tientsin station to prevent removal further west of rolling stock which he represents would be disastrous to Kailan Mining Administration business.

Copy of similar rolling stock agreement concluded in 1926 was enclosed in Legation despatch No. 922 1926.²

I am making necessary representations to Chinese Military Authorities here and am instructing His Majesty's Consul-General to do the same in Tientsin. I am also informing His Majesty's Consul-General that I am not prepared, without approval of His Majesty's Government, to authorise placing a handful of British soldiers in the way of what may turn out to be hordes of retreating Chinese troops.³

Repeated to Tientsin for Brigadier, General Officer Commanding and Commander-in-Chief.

¹ A copy of the Rolling Stock Agreement dated December 2, 1930, concluded between the Kailan Mining Administration and the Peiping-Liaoning Railway was received in the Foreign Office on July 10, 1933, as enclosure in Peking despatch No. 722 of May 22, 1933.

² Mr. Scott minuted on May 17 that this reference was 'incorrect' as the agreement enclosed in the Peking despatch under reference was 'one for a loan of \$1,200,000 from the K.M.A. to the Peking-Mukden Ry. secured on freight earnings'.

³ Sir M. Lampson was informed in Foreign Office telegram No. 203 of 4.30 p.m. on May 19: 'I approve your attitude'.

No. 564

Mr. Snow (Tokyo) to Sir J. Simon (Received May 16, 2.15 p.m.)

No. 134 Telegraphic [F 3240/18/10]

TOKYO, May 16, 1933, 6.53 p.m.

My telegram No. 130.¹

Military Attaché was informed this morning that Japanese expect to occupy Miyun tonight or tomorrow and have taken Fenjun about 20 miles north of Tanshan.

¹ Of May 13, not printed.

Press today reported General Muto had stated yesterday that Japanese had virtually obtained their objectives and would withdraw to the Wall at an early date provided Chinese provocative attitude was abandoned. General staff volunteered that this scheme represented their views.²

Repeated to Peking for Commander-in-Chief.

² But they also confirmed, according to Tokyo telegram No. 135 of 6.50 p.m. on May 16, received 1.25 p.m., 'General Muto's statement that if Chinese attack did not cease Japanese would have to adopt "decisive" measures'.

No. 565

Sir M. Lampson (Peking) to Sir J. Simon (Received May 17, 9 a.m.)

No. 518 Telegraphic: by wireless [F 3269/18/10]

Confidential

PEKING, May 16, 1933

Suma¹ called on May 13th and we had a very frank discussion. He tells me that whilst in Peking he had been in close touch with General Chang Chun who is Chiang Kai-shek's right hand man and that there is evidently strong desire to terminate the present impasse. Suma has great hopes of Huang Fu on his arrival here—see my telegram No. 509²—and believes assistant Minister for Foreign Affairs will prove determined somehow to ease the situation in the north probably by local arrangement with Japanese.

2. I informed him that I had consistently advised Chinese to stop this senseless scrapping which far from doing good did much harm. At the same time I could see no likelihood that the Chinese could commit themselves to anything fettering future liberty to recover Manchuria. The problem was to evolve a formula which would cut that knot. But if Huang Fu did arrive prepared for practical discussion I hoped Japanese would have someone here of sufficient authority to handle the question.

3. Suma who leaves today for Shanghai said he was going to advise Japanese Minister himself to come to Peking in the near future. He hoped meanwhile that if occasion arose I should be prepared to help both parties to bridge their difficulties. I replied, most willingly on the distinct condition, without offence, that I should not be used as I had been in the first phase at Shanghai as a channel for delivery of Japanese ultimatum by Japanese military.³ Suma laughed and took note saying there will be no repetition of that. The problem was to evolve a formula for 'material cessation of hostilities' without anything in writing. I agreed and ended by once more offering the offices of a friend if and when the time came.

Repeated to Tokyo, Commander-in-Chief, General-Officer-Commanding and Mission.

¹ A note on the filed copy here reads: 'Sec. of Japanese Legation in Peking.' This telegram was drafted on May 14.

² No. 559.

³ See Volume IX, Nos. 472, 486-7.

No. 566

Sir M. Lampson (Peking) to Sir J. Simon (Received May 16, 9 p.m.)

No. 530 Telegraphic: by wireless [F 3246/18/10]

PEKING, May 16, 1933

Following received from Tientsin No. 87 of May 15th, begins:

Kailan mining agent at Chingwantao reports interview with Manchu leader Lichichun on May 11th. Latter expected to control area west of Lan river up to and including Tongshan by May 15th. He anticipated little fighting as negotiations were under way which would lead to peaceful settlement.

Gunfire audible all round the mines area and evacuation of Chinese from Kuyeh seems practically complete. Tongshan is congested but withdrawal is proceeding rapidly.

Exact extent of damage to Lan river bridge is not yet known here.¹

Kailan mining administration rolling stock has been largely withdrawn into mining area but a small quantity remains at Tongku which administration is trying to remove to sidings. Railway administration has been efficiently helpful in the matter.

¹ Tientsin telegram No. 90 of May 17 (repeated to the Foreign Office in Peking telegram No. 550 of May 19) reported that it was estimated that repairs to the bridge 'would take about three weeks working night and day'. Sir M. Lampson (in his telegram No. 134 to Tientsin, repeated to the Foreign Office as No. 553) said there was 'no objection' to the suggestion in Tientsin telegram No. 93 of May 18 (repeated to the Foreign Office in Peking telegram No. 552 of May 19) that Mr. Nathan should approach 'Japanese or Fengshan Railway authorities with regard to repairing Luan River bridge, provided Peking-Liaoning Railway disclaim control of it'. This Tientsin telegram had concluded: 'It is vital to interests of Kailan Mining Administration that through traffic to Chinwangtao should be restored as soon as possible.' Sir M. Lampson further reported in his telegram No. 556 of May 20 to the Foreign Office that, at the request of the Kailan Mining Administration, he had made representations to the Chinese military authorities 'urging them to refrain from damaging Hanku Railway bridge over Peitang River, destruction of which would cut Kailan mines off from only available shipping port'.

No. 567

Sir M. Lampson (Peking) to Sir J. Simon (Received May 19, 7 p.m.)

No. 551 Telegraphic: by wireless [F 3362/18/10]

PEKING, May 19, 1933

Following received from Tientsin No. 92 of May 17th.

Begins.

Kailan Mining Administration, Tongshan Office, reports at 9 o'clock today that Kaiping and Tongshan from (*sic*)¹ clear of Chinese troops. Main body of Japanese is still at Kaiping but Manchurian scouts have already been seen at Tongshan. No damage has been done to administration's personnel or property.

Ends.

¹ Printed as in filed copy, on which the word 'area' is suggested in place of 'from'.

No. 568

Mr. Snow (Tokyo) to Sir J. Simon (Received May 20, 9.30 a.m.)

No. 138 Telegraphic [F 3376/33/10]

TOKYO, May 20, 1933, 1.15 p.m.

Somewhat restrained attitude has so far been maintained here regarding President Roosevelt's peace message.¹ Present feeling is that Japanese government will accept in principle but will make reservations anyhow as to (a) recognition of Manchukuo boundaries and (b) right of self defence owing to Japan's special position as China's neighbour.

¹ The text of the telegram addressed on May 16 by the President of the United States to the Heads of all States taking part in the Disarmament Conference or in preparations for the World Economic Conference is printed in Volume V, No. 146.

No. 569

Sir M. Lampson (Peking) to Sir J. Simon (Received May 20, 9 p.m.)

No. 555 Telegraphic: by wireless [F 3354/18/10]

PEKING, May 20, 1933

Military Attaché reports.

Chinese press is preparing public opinion for a (? cession of) a neutral zone from which both sides are to withdraw their troops. It was stated in the press this morning¹ that orders had already been issued for Chinese to break off contact. Military situation quiet as in most sectors troops are far apart.

Japanese aeroplanes visited Peking between 9.15 and 10 a.m. this morning. No bombs were dropped but one or two casualties caused by fall of anti-aircraft projectiles.

Repeated to Commander-in-Chief, General Officer Commanding Mission.

¹ The telegram was drafted on May 19.

No. 570

Sir M. Lampson (Peking) to Sir J. Simon (Received May 21, 9 p.m.)

No. 558 Telegraphic: by wireless [F 3375/33/10]

PEKING, May 21, 1933

Following received from Canton No. 27 of May 19th, begins:

Addressed to Peking No. 27 repeated to Mission and Shanghai.

Mayor has forwarded to me for transmission to you a lengthy manifesto of south west political council which has been telegraphed to League of Nations stating that Nanking government is entirely subservient to Nanking

military commission who are believed to be negotiating for settlement with Japan on basis of (1) recognising Manchukuo government as *de facto* (2) provinces north of Yellow River as non war area (3) termination of boycott, in return for which extra territoriality and concessions will be surrendered¹ and that such settlement will not be recognised by Chinese people. Reuter's correspondent has telegraphed summary to Shanghai for distribution. Full text² follows by post.

¹ The corresponding passage in the full text of the manifesto received later (see note 2) read: 'Should the foregoing two principles [i.e. (a) recognition of the Manchukuo government as *de facto* and provinces north of Yellow River as 'non-war' area, (b) termination of the boycott of Japanese goods] be agreed to, the Japanese Government will voluntarily abolish unilateral treaties, and will surrender all rights and privileges pertaining to concessions, extra-territoriality and river navigation, and will further proceed to conclude treaties with the Chinese Government on equal and reciprocal basis with a common object of maintaining an "Asiatic Monroe Doctrine".'

² Received in the Foreign Office on July 7 as enclosure in Peking despatch No. 774 of May 31. The text is printed in *F.R.U.S.* 1933, vol. iii, pp. 334-6.

No. 571

Sir M. Lampson (Peking) to Sir J. Simon (Received May 22, 9.15 p.m.)

No. 564 Telegraphic: by wireless [F 3393/18/10]

Immediate

PEKING, May 22, 1933

Vice Minister for Foreign Affairs¹ called on morning of May 22nd and spoke as follows:

2. On strength of General Muto's recent declaration² Chinese forces had fallen back and held line Shunyihsien Tungchow Lutai (on Peking-Mukden Railway). Yet Japanese were still continuing their advance; and Minister of War (on whose behalf he was speaking) feared attack on Peking and Tientsin was imminent. If it took place Chinese would be bound to defend these places. What could be done to prevent this crisis arising? And how did I feel about Chinese defending them? He continued that all talk of some arrangement having been reached by Huang Fu was quite untrue; but that through an intermediary Japanese Legation were aware of withdrawal of Chinese troops to places mentioned above and that this had been done as an earnest of Chinese goodwill in response to Muto declaration.

3. I said I had no news of any further Japanese advance but if it was correct surely it was for Huang Fu to get into immediate contact with Japanese and try to come to some arrangement; and I instanced my recent talk with Suma [see] my telegram No. 518³ as seeming to show a readiness for discussion on Japan's side. As to defending Peking etc. I could only speak in my personal capacity but I felt the same standard should apply that I had so often preached namely would it do China's *ultimate* cause any good? I

¹ Mr. Liu Chung-chieh, Administrative Vice-Minister for Foreign Affairs; cf. No. 520.

² Cf. No. 564.

³ No. 565.

should have doubted it and it would only involve useless slaughter and damage to property.

4. Vice Minister for Foreign Affairs then switched on to question of Boxer protocol and was evidently fishing for its invocation against Japanese advance on Peking. I explained that I did not see it came into play at present. Japan did not claim to be acting under it nor was any threat to safety of Legations so far involved. If there were, protocol powers would doubtless judge need of acting upon it in accordance with needs of the moment as they had often done in the past.

5. Finally Vice Minister for Foreign Affairs asked whether I should still be prepared to act as middleman in getting some arrangement if asked to do so in writing. I said yes provided China spoke with one voice: moreover China should have some concrete formula ready which could be conveyed to other side. He seemed to think this might be done. But meanwhile matter was vitally urgent, Japanese were within some fifteen kilometres of Peking both to the north and to the east. Could I say whether Japanese would be receptive to any approaches? and would they agree to a third party (myself) being present at any discussions? I replied I did not know but could probably find out as regards first point at least: second was for the moment premature.

6. He jumped at this and said would I act as regarded first point? but he hoped it could be done through Tokyo and not here. The only man at Japanese Legation at Peking who seemed to have any power was military attaché who was a fire-eater and was adopting a most menacing attitude over attack on Japanese sentry on Saturday.⁴ He much hoped therefore that any sounding of Japanese side would not be done here unless someone in real authority arrived to take charge.

7. I am repeating this to His Majesty's Chargé [d'Affaires] at Tokyo who will doubtless judge whether it is opportune or not (unless meantime instructed by you to the contrary) to sound out readiness of Japan to consider some local arrangement for cessation of hostilities. But I feel strongly that we ought not to be manœuvred into serving merely as channel for delivery of any Japanese military ultimatum as happened at Shanghai and might easily happen again. I also feel it would be to everyone's advantage if there were now someone at Japanese Legation here who could take charge authoritatively of any eventual discussions. If Japanese local military are left to deal with situation at their own unfettered discretion, outlook is not hopeful.

8. I have informed my United States and French colleagues of the above.

Repeated to Commander-in-Chief, General Officer Commanding, Tokyo and Mission.

⁴ In his telegram No. 562 of May 23 Sir M. Lampson reported: 'On morning of May 20th Japanese sentry whilst on duty outside Japanese Legation, and apparently looking up at a flight of 11 Japanese aeroplanes over the city, was assaulted by unknown Chinese and wounded with a sword.' He added that the aggressor was now held in Japanese custody. Cf. *F.R.U.S.* 1933, vol. iii, pp. 337-8.

No. 572

Sir M. Lampson (Peking) to Sir J. Simon (Received May 23, 9 a.m.)
No. 563 Telegraphic [F 3428/18/10]

PEKING, May 23, 1933, 12.40 p.m.

Military Attaché reports:—

Although authorities strenuously deny any negotiations for conclusion of an armistice Chinese troops are everywhere breaking off contact and retiring to a line west of Huai-Jouhsien-Tungchow-Tongshan. Miyun was evacuated by them on May 19th. Positions for defence of Peking are being dug and occupied north-west of Summer Palace. Large numbers of southern troops amongst which are portions of 87th division are being billeted in the city.

Repeated to Commander-in-Chief, General Officer Commanding and Mission.

No. 573

Sir M. Lampson (Peking) to Sir J. Simon (Received May 23, 9 a.m.)
No. 565 Telegraphic: by wireless [F 3436/18/10]

Immediate

PEKING, May 23, 1933

Shen of Waichiaopu has just¹ told me Japanese have applied for transportation of an additional 500 men from Tientsin to Peking on May 23rd to strengthen Japanese Legation guard. Minister of War felt Chinese would be justified in refusing but sought my personal advice.

2. I said it was no affair of mine but if Chinese refused I did not see how a crisis on railway could well be avoided: and that being so humiliating though it might be I should be chary of refusing transportation. Shen said that he agreed and so did Minister of War to whom he would report what I had said.

3. I hear from Chinese course [? source] that there was another 'incident' late on the night of May 21st when car containing Japanese secretary of Legation and military attaché was stopped by Chinese sentry (martial law is now in force) military attaché had made a scene and this morning Minister of War had sent down officer to apologize: but attaché had sought to make an international incident of it.

4. There is no doubt that atmosphere is very tense. Japanese Legation is now being sandbagged and general nervousness prevails.

5. My United States and French colleagues and I discussed it all today;² but decided there was nothing for us to do beyond ensuring that standing machinery for protection of our nationals in the city was in working order. We debated equivocal position of Japanese Legation guard and desirability of some word of warning against anything like a military operation by them

¹ The telegram was drafted on May 22.

² Cf. *F.R.U.S.* 1933, vol. iii, p. 341.

being organized from neutral shelter of Legation quarter. But we all three felt it better to assume that this would not be done or privileges of the quarter abused. I confess, however, that I am uneasy regarding this: and it is only too easy for some 'incident' to be provoked. Renewed Japanese guard during past little while have been carrying out ostentatious route marches in full field kit through main streets of the city. Wonder is that with the exception of attack on sentry no serious incident has yet occurred.

6. Same informant tells me discussions between Huang Fu and Japanese military attaché were actually in progress at Japanese Legation when sentry was attacked. Military attaché at once broke off and has since refused to renew conversations.

Repeated to Commander-in-Chief, General Officer Commanding, Tokyo and Mission.

No. 574

Sir M. Lampson (Peking) to Sir J. Simon (Received May 23, 9 a.m.)
No. 566 Telegraphic [F 3427/18/10]

PEKING, May 23, 1933, 12.40 p.m.

During last few days owing to withdrawal of Chinese troops from Miyun and Tungchow sectors large numbers of southern soldiers have been billeted in and are passing through Peking. In addition refugees are streaming in from eastern district. Although situation is up to the present calm several British residents have had minor incidents with the troops in connexion with billeting and martial law. In case position may become serious I have as a precautionary measure addressed communication to General Ho Ying-chin's staff expressing hope that strict orders will be issued to ensure that British premises shall be respected.

Repeated to Mission, Commander-in-Chief and General Officer Commanding.

No. 575

Mr. Snow (Tokyo) to Sir J. Simon (Received May 23, 3.30 p.m.)
No. 144 Telegraphic [F 3437/18/10]

TOKYO, May 23, 1933, 8.30 p.m.

Peking telegram No. 564¹ to the Foreign Office begins:²

Situation appears to us to be that described in last paragraph of my telegram No. 121³ and my despatch No. 273 May 13th.⁴ We believe the Japanese are prepared that events should take their course and are not anxious that any offer of third parties good offices terminate hostilities.⁵

¹ No. 571.

² This word appears to be inserted in error.

³ No. 538.

⁴ Received June 13, not printed.

⁵ The text here appears to be corrupt: it should presumably have read: 'are not anxious for any third party's good offices to terminate hostilities'.

However they might not actually resent such offer though they might show insistence that eventual negotiations should be conducted between themselves and the Chinese direct. If you think something should be done here to sound out Japanese I would suggest Military Attaché might make preliminary and informal enquiry of the Military authorities. Perhaps then if the latter seemed receptive I should take it up with the Minister for Foreign Affairs.

Repeated to Peking for Commander-in-Chief.

No. 576

Sir M. Lampson (Peking) to Sir J. Simon (Received May 24, 9 a.m.)

No. 572 Telegraphic [F 3457/18/10]

Secret

PEKING, May 24, 1933, 11.50 a.m.

My telegram No. 564.¹

I had a private and confidential meeting with Huang Fu today when he gave me the following information regarding the present position.

2. Huang Fu had a secret meeting last night with Japanese Legation representatives when after an all-night sitting the following arrangement was reached.

3. (a) Japanese require Chinese to straighten out their front to approximately a line running through Shunyi, Tungchow, Lintingkou, and right bank of Paiho² to Lutai and not to advance beyond it.

(b) A Chinese officer accompanied by a Japanese officer to proceed to Miyun to Japanese Commander and request armistice.

(c) Delegates thereupon to be appointed by both sides to arrange terms of formal armistice.

4. The above was agreed to on Chinese side and Ho will appoint a representative to proceed to Miyun accordingly.

5. If Japanese are sincere orders for cessation of hostilities should become effective by this evening.

6. Huang Fu gave me above information *in strictest secrecy* and asked that it should not even be communicated to you for a few days. I pointed out however the importance of keeping His Majesty's Government fully informed and assured him that he could rely on secrecy being preserved.

7. Even if the above terms are carried out difficulties for Chinese will only begin with negotiations for formal armistice. I gather from Huang Fu that Japanese are determined to force Chinese into position of suppliants for peace. In view of hopelessness of resistance and communist menace in their rear the Chinese leaders have no alternative.

8. There is no opportunity for our mediation for the time being but Huang Fu hopes he may turn to us for assistance if required later on.

¹ No. 571.

² It was suggested on the filed copy that the reference should be to the Paitangho.

9. Huang Fu expressed hope that Powers would realise China's difficulties and their determination to do nothing to forfeit the moral support of the League of Nations. I said I felt sure he had chosen the right course and congratulated him on having had the moral courage to take the step he has done. He also referred bitterly to the action of Japanese authorities in taking advantage of the sentry incident³ (which had happened in territory not under Chinese jurisdiction) to reinforce Legation guard by 500 men in accordance with their protocol rights.

Repeated to Tokyo, Commander-in-Chief, General Officer Commanding and Mission.

³ Cf. No. 571, note 4.

No. 577

Mr. Snow (Tokyo) to Sir J. Simon (Received May 24, 11 a.m.)

No. 147 Telegraphic [F 3456/18/10]

TOKYO, May 24, 1933, 4.29 p.m.

My immediately preceding telegram.¹

Military Attaché's informant stated unofficially 'that he believed an armistice was being arranged'; he also said that previous press statements regarding occupation of Tungchow by Japanese and their advance within three kilometres of Peking had been occasioned by unauthorised advance of certain Japanese detachments. But orders had now been issued from Tokyo to put this right.

In these circumstances and in view of paragraph 8 of Peking telegram No. 572² action suggested in my telegram No. 144³ of yesterday may be unnecessary?

Repeated to Peking for Commander-in-Chief.

¹ Tokyo telegram No. 146 of 4.19 p.m. on May 24 reported a Japanese advance 'to a point just east of Tungchow'.

² No. 576.

³ No. 575.

No. 578

Sir R. Vansittart¹ to Mr. Snow (Tokyo)

No. 121 Telegraphic [F 3393/18/10]

FOREIGN OFFICE, May 24, 1933, 5 p.m.

Peking telegram to Foreign Office No. 564² (of May 22nd, mediation between China and Japan).

I agree with views expressed in paragraph 7 and leave it to you to judge whether any good could be done by frank discussion of the whole question with the Government to which you are accredited.

Repeated to Peking No. 215.

¹ Sir J. Simon was in Geneva May 21-25.

² No. 571.

No. 579

Mr. Snow (Tokyo) to Sir J. Simon (Received May 25, 10.30 a.m.)

No. 150 Telegraphic [F 3463/18/10]

Very confidential

TOKYO, May 25, 1933, 4.17 p.m.

(? My telegram No. 147)¹

I have been informed most confidentially this morning by Ministry of Foreign Affairs that negotiations for an armistice in Sino-Japanese hostilities are taking place between military representatives of both sides.

Repeated to Peking for Commander-in-Chief.

¹ No. 577.

No. 580

Sir M. Lampson (Peking) to Sir J. Simon (Received May 26, 9 a.m.)

No. 581 Telegraphic: by wireless [F 3546/4/10]

PEKING, May 25, 1933

My telegram No. 502.¹

As payment of Boxer Indemnity instalment is already three months in arrear I much hope that opportunity will be taken firmly to press Minister of Finance in person on his arrival in London² for immediate issue of necessary instructions for resumption of payments. Actual position is that other Powers who did not give postponement of their indemnity payments (not having been asked last year) are receiving their instalments whereas we and America who went out of our way to help China in her difficulties are not. Oddly enough Italy is receiving hers. As a matter of principle it will be lamentable if Minister of Finance is able to get away with this.

Repeated to Mission and Commercial Counsellor Shanghai.

¹ In this telegram of May 11 (not printed) Sir M. Lampson had referred to Peking telegram No. 475 (No. 546) and stated that the Minister for Foreign Affairs 'had again telegraphed to Minister of Finance in Washington to resume payments'. He also reported that: 'Representative of Italian Legation here states that instalments for March and April have been duly paid in United States dollars.'

² Mr. T. V. Soong arrived in England on June 5; cf. No. 557.

No. 581

Sir M. Lampson (Peking) to Sir J. Simon (Received May 27, 9 a.m.)

No. 590 Telegraphic: by wireless [F 3566/18/10]

Confidential

PEKING, May 26, 1933

My telegram No. 563,¹ first paragraph.

About 300 reinforcements for Japanese Legation Guard reached Peking May 23rd without incident. On the same day Japanese Commandant

¹ No. 572: the reference should probably have been to telegram No. 565 (No. 573).

addressed letter to the four other Commandants of the Legation Guards stating that in view of possible danger to lives of Japanese nationals in the city the Japanese detachments would patrol the districts in which they mostly resided.

2. At informal meeting on the evening of May 23rd at this Legation attended by senior Minister,² American, French, Italian representatives and myself (representing the Legations, other than the Japanese, having Legation Guards), following questions were discussed:—

- (a) Japanese sentry incident;³
- (b) Reinforcement of Japanese Legation Guard and
- (c) Japanese scheme to patrol the (? districts).

As regards (a) it was decided that although proper procedure probably was for Japanese Legation to hand over the culprit to the Legation quarter police, it would probably be hopeless to press Japanese on this point and that it would be infinitely better to take no action unless Chinese authorities themselves raised the matter. As regards (b) it was felt—especially by United States Minister, French Minister and myself—that as Japanese Legation had in theory full right to strengthen their Guard for protection of their nationals any protest by the other Legations would be inadvisable and that in the event of pressure being put on Japanese and Japanese nationals thereby suffering injury, we should have incurred an implicit responsibility that was undesirable. As regards (c) consensus of opinion was that the scheme of patrols was both unwise and provocative but in all the circumstances it was considered better not to raise matter with Japanese Legation.

3. The whole question of the status of Japanese troops within the Legation quarter bristles with difficulties. And though senior Minister was obviously anxious to cover his responsibility as head of the Corps Diplomatique and this [? his] responsibility for questions affecting diplomatic quarter, the four of us actually having guards here felt that in practice the decision must lie with us as to what was and was not opportune. And no one of us having the least desire or intention of becoming involved with Japan a purely negative attitude was the only one we could adopt. If in practice some proved abuse of shelter of the quarter could be proved against the Japanese, then we should have to take up the case on its merits and refer to our Governments for representations at Tokyo.

Repeated to Commander-in-Chief, General Officer Commanding, Mission and Tokyo.

² Cf. No. 509. M. J. Garrido y Cisneros, Spanish Minister at Peking since February 1925, had become Senior Minister in May 1931 on the departure of the Netherland Minister, M. Oudendijk (see Appendix below, pp. 585–6).

³ Cf. No. 571, note 4.

Sir M. Lampson (Peking) to Sir J. Simon (Received May 27, 7 p.m.)

No. 594 Telegraphic: by wireless [F 3575/18/10]

PEKING, May 26, 1933

Following received from Mission No. 227 May 24th.

Mr. Okazaki¹ is paying a flying visit to Nanking from Shanghai. I gather that he has come in order to keep [his Minister]² in closer touch with events here as Uyemura³ has just left and his successor is new to China.

2. He tells me that (a) Japanese Minister is anxious that Huang Fu's position should not be prejudiced by any armistice negotiations and he fears he may be discredited by Nanking if any written agreement is signed; (b) Japanese military are almost sure to insist on a written agreement; (c) The greatest danger in the situation lies in Ronin element particularly in Tientsin over which neither Japanese civilian nor military authorities have any control. These elements backed by money from Manchukuo and in touch with disaffected Chinese like Shih Yu-san are anxious to create a situation which will force the Japanese military to overrun North China and set up an independent régime.⁴ Japanese military, however, do not wish to become thus involved partly because it would involve splitting up Japanese forces into small independent units (which is detrimental to discipline as they tend to become a law unto themselves) and partly because Kaoliang crops⁵ are growing up in Manchuria thereby necessitating a greater concentration of military effort in maintenance of law and order there.

¹ With reference to this telegram Sir M. Lampson said in his telegram No. 597 of May 27 to the Foreign Office: 'Okazaki acted as Secretary to Japanese Minister during Shanghai negotiations last year and after the latter was wounded [cf. Volume X, Nos. 290-1] I had frequent and closest contact with him during many domestic problems. I have always found him most friendly, frank and reliable.'

² The text as received was here uncertain. These two words were added in accordance with a confirmatory copy received later by bag. Mr. A. Ariyoshi was the Japanese Minister in China at this time.

³ Mr. S. Uyemura had been a Third Secretary in the Japanese Legation.

⁴ A minute on the file by Mr. W. R. Connor Green, initialed by Mr. Randall (a member of the Far Eastern department) and Mr. Orde, read: 'The "Ronin" danger at Tientsin is a new factor. It is a bit hard to credit what Okazaki says about them. W. R. C. Green 29/5.' Cf. Volume IX, No. 56 (p. 86).

⁵ Kaoliang, or sorghum, a giant millet that grew nearly ten feet high, afforded such good cover in summer that the Japanese had forbidden its cultivation within a hundred metres of any railway. Cf. J. V. Davidson-Houston, *The Piracy of the 'Nanchang'* (London, 1961), p. 123.

No. 583

*Sir M. Lampson (Peking) to Sir J. Simon (Received May 27)*¹

No. 595 Telegraphic: by wireless [F 3571/18/10]

Confidential

PEKING, May 26, 1933

My telegram No. 572.² Third paragraph.

I am confidentially informed that point A having been carried to the satisfaction of Japanese, Chinese representatives have returned from Miyun after accomplishing B and that it now remains to proceed with C.

Tension in Peking is much relaxed though recently aeroplanes have been flying over the city for reconnoitring purposes. On May 24th they dropped leaflets urging Chinese to surrender to Japanese army and to overthrow the Kuomintang and Chiang Kai-shek.

3. Some southern divisions have been withdrawn from the city and are encamped in the western hills. My informant (see first paragraph) who is connected with Huang Fu states that Chinese authorities would like to transfer these troops to central China for use against communists and establish some sort of constabulary for the maintenance of order in evacuated area in the north. But disposal of remnants of old north eastern army and its generals constitutes difficult problem.

4. I give above with all reserve. General situation while outwardly improved remains obscure and precarious.

We are very far from being out of the wood.

Repeated by Tokyo, Commander-in-Chief, General Officer Commanding and Mission.

¹ The time of receipt is not recorded.

² No. 576.

No. 584

Mr. Snow (Tokyo) to Sir J. Simon (Received June 30)

No. 301 [F 4361/39/23]

TOKYO, May 26, 1933

Sir,

I have the honour to refer to despatch No. 224¹ of April 12th last, in which Sir Francis Lindley, discussing the political situation in this country, pointed out that there was a possibility that in spite of the rumours of impending changes which have been prevalent for the past few months the Saito Cabinet would continue in office for some time to come. This now appears to be more or less assured.

2. Since Sir Francis Lindley's despatch under reference was written the position of the Government has continued to form the subject of much

¹ Received May 12, not printed. In this despatch Sir F. Lindley wrote that Admiral Saito had been encouraged to stay in office by Prince Saionji, 'to whom he paid a visit at the beginning of the month upon his return from a journey to the Grand Shrine at Ise, whither he went to report to the Imperial Ancestors the fact of Japan's withdrawal from the League of Nations'.

speculation both in political quarters and in the press generally. This has centred round the attitude of Mr. Takahashi, the veteran Minister of Finance,² for the Premier himself has, ever since the termination of the sessions of the Imperial Diet in March, made it increasingly evident that, so far as he was concerned, he was prepared to remain in office. A speech which Admiral Saito delivered at the annual conference of Prefectural Governors held during April was interpreted in this way, while on April 22nd the Premier made a statement to the effect that if Mr. Takahashi resigned the natural course would be to appoint a successor without having recourse to a resignation of the Cabinet *en bloc*. The latter statement may be said to have been in the nature of a challenge to the Seiyukai, to which Mr. Takahashi belongs, and that party lost little time in letting it be known that the resignation of the Minister of Finance and an attempt on the part of Admiral Saito to reconstruct the Cabinet without him would involve also the resignation of the other Seiyukai members of the Ministry, namely, Mr. Mitsuchi, the Minister of Railways, and Mr. Hatoyama, the Minister of Education. In other words, the party threatened a complete breach with the Government and it was generally considered that in such circumstances it would be practically impossible for Admiral Saito to effect a reconstruction.

3. This, then, has been the position for the last five or six weeks, and there has been a growing demand on the part of the public for some definite action by the Premier with a view to allaying the continued uncertainty in regard to the situation, which, it has universally been felt, was detrimental to the best interests of the country. It was, therefore, with some satisfaction that the news that Admiral Saito had arranged to pay a visit to Prince Saionji was received on May 19th, especially when it was learned that upon his return to the capital he would have an interview with Mr. Takahashi and that a statement in regard to his intentions and those of the Minister of Finance would subsequently be issued.

4. Admiral Saito's visit to Prince Saionji took place on May 19th, and was followed on May 22nd by an interview with Mr. Takahashi. At this interview the Minister of Finance appears to have consented to remain in office for the time being, and on May 23rd a formal statement to this effect was issued to the press by the Premier. The statement also contained a reference to the many urgent questions with which the Government is now faced. The statement is therefore of some interest as indicating the policy which the Government may be expected to follow in the future and I accordingly have the honour to append a translation as published in the columns of the 'Japan Advertiser' of May 24th. It reads as follows:—

'In connection with the political situation which has evoked such widespread discussion among the public for some time, I conferred with the Finance Minister yesterday and as a result the Finance Minister decided to devote himself as before to affairs of state, out of consideration of the grave situation in which the nation finds itself, both internally and

* Mr. K. Takahashi (b. 1854), an ex-Prime Minister (1921-2) and former Minister of Finance, had held his current position as Minister of Finance since December 1931.

externally. The national crisis cannot be said to have passed, and we are still called upon to unite ourselves in order to cope with it.

‘Among other things, we are faced with the necessity of obtaining the co-operation of Manchukuo in accordance with the existing policy; there must be well-ordered guidance of diplomacy in Japan’s relations with China and the Soviet; there must be a renovation of diplomacy consequent upon the decision to withdraw from the League of Nations; it is necessary to co-operate with the other nations at the forth-coming economic conference; there must be relief of the distressed, a fight against dangerous thought, readjustment of education, readjustment of taxation, consolidation of financial plans, reform of the election law, consolidation of the administrative and juridical systems and the cleansing of politics. We expect to carry out our plans with a firm determination and to overcome the evils arising from the present unsettled times, always endeavouring to follow the course outlined by the Throne in the recently-issued Imperial Rescript.’³

5. The political situation has thus for the time being at least been clarified, and the prospects seem to be that—in the absence, of course, of unexpected developments—the Saito Cabinet will remain in power for some months to come. This fact is viewed with satisfaction in most quarters, since it is realised that there are still many difficulties confronting the country. The press on the whole is relieved at the easing of the political tension of the past few months. At the same time, however, there is little real enthusiasm for the Saito Government. The feeling of relief that they are to continue in office is tempered with doubts whether they are actually capable of grappling successfully with the problems before them. As pointed out in previous despatches from this Embassy there is a certain amount of disappointment that they have not achieved more in the way of ameliorating conditions in the country districts and in effecting a revival of trade, and were it not that there is an evident feeling that the time is not yet ripe for a return to a purely party Government and that Admiral Saito is the most suitable leader available, there would be little support for his Ministry.

6. As regards the future, much depends upon the attitude of the Seiyukai. The party has been counting upon the resignation of Mr. Takahashi, in pursuance, it is said, of an understanding arrived at between him and Dr. Suzuki, the President of the party, that he would not retain his portfolio for long after the termination of the sessions of the Diet. In Sir Francis Lindley’s despatch No. 224, it was explained that some time ago Dr. Suzuki had stated that he would not resign until after the publication of the results of the preliminary examination into the events of May 15th of last year.⁴

³ The reference is to the Rescript issued by the Emperor of Japan on March 27, on the occasion of the despatch to Geneva of the telegram notifying Japan’s withdrawal from membership of the League of Nations; see No. 465, note 2. Cf. *The Times*, March 28, p. 14, and *The Japan Year Book 1934*, pp. 205–6.

⁴ i.e. the events leading to the death of the former Prime Minister, Mr. Inukai; see Volume X, Nos. 347–8.

As reported in my despatch No. 304^s of the 26th May, these have now been issued, and not only has Mr. Takahashi not resigned, but he shows no intention of doing so, having intimated that, provided his health holds, he is even ready to face the task of compiling the budget for the financial year 1934-35. The Seiyukai, therefore, are by no means pleased with the turn of events. Overtures which have been made by Mr. Takahashi to Dr. Suzuki for the continued support of the party appear to have been coldly received, and it is reported in the press that the latter was approached with the offer of a seat in the Cabinet as Minister without portfolio, but that the offer has again been declined, as was the case when a similar suggestion was made at the time of the formation of the Saito Cabinet. At the moment, therefore, the indications are that the Seiyukai may decide gradually to withdraw their support from the Government. But the attitude of the party has not yet been clearly defined and it remains to be seen whether their indignation at their continued inability to make use of their large majority in the Diet is not rather in the nature of bluster and whether in the long run they will not decide that it is more to their advantage to continue for the time being their co-operation with the Saito Cabinet, and to wait until conditions are more normal before endeavouring to assert their power.

I have, &c.,
T. M. SNOW

^s Received June 30, not printed.

No. 585

Sir M. Lampson (Peking) to Sir J. Simon (Received May 27, 8 p.m.)

No. 596 Telegraphic: by wireless [F 3594/18/10]

PEKING, May 27, 1933

Following received from Mission No. 229 of May 25th.

Begins.

My telegram No. 227.¹

Mr. Okazaki tells me that as a result of conversations he has had yesterday and today (particularly with certain members of Central Executive Committee) he has derived the impression that Nanking policy will be to connive temporarily at any military armistice made in the North on the grounds that they are not concerned with any agreements between local rival military authorities. Nanking hopes thus to gain time for Canton attitude to clarify itself and does not intend to confirm or repudiate immediately any understanding which may be reached. According to Ikazaki [*sic*], Chen Ming-shu² in his recent interviews at Canton with Marshal Chen Chi-tang was acting as emissary and in the interests of Chiang Kai-shek and there may well be

¹ See No. 582.

² General Chen Ming-shu, Minister of Communications in the Chinese National Government until his resignation in June 1932, had recently returned to China after a visit to Europe.

a completer understanding between Chiang Kai-shek and the Marshal than would appear from recent utterances of Chen and Hu Han-min. He does not think Japanese military will insist on official Nanking blessing for any agreement as they are solely concerned with the purely military aspect of the situation. He admits that politically Japanese want Huang Fu to consolidate his position in the North without an open breach occurring between him and Nanking so as to have a regime there facing both ways but with a stronger attachment to Manchukuo than to Nanking. To secure this it is desirable according to him that Nanking should not be forced either by Chinese or Japanese opinion to come out into the open too soon as for (? or)³ against armistice but Canton may upset this as Japanese do not know positively how Canton is going to react.

2. Local press today and yesterday show no disposition to cavil with the idea of armistice and confines itself to lamentable failure of resistance policy and inadequate measures taken to implement it.

³ The text is here uncertain.

No. 586

Sir M. Lampson (Peking) to Sir J. Simon (Received May 27, 8 p.m.)

No. 599 Telegraphic: by wireless [F 3567/18/10]

PEKING, May 27, 1933

Following received from Tientsin No. 101 of May 26th.

Kailan mining administration reports Chinese troops at a point midway between Taku and Tientsin mutinied this morning. Martial law has been proclaimed at Taku and Tongku and two Chinese men-of-war are moving up the river to control the situation.

No. 587

Mr. Snow (Tokyo) to Sir J. Simon (Received June 17)

No. 307 [F 4035/33/10]

TOKYO, May 29, 1933

Sir,

Although President Roosevelt's peace message¹ was addressed to the Emperor, it was at first understood that the duty of replying would be left entirely to the Government. It was subsequently announced, however, that His Majesty had on May 20th addressed a personal message to the President, thanking him for his communication and informing him that he had caused it to be transmitted to the Government for their earnest consideration. It is unusual for the Emperor to intervene even to this extent in a political matter.

2. As reported in my telegram No. 138² of the 20th May, the attitude taken in regard to the President's proposals has from the outset been

¹ Cf. No. 568, note 1.

² No. 568.

restrained. In discussing the matter with press representatives, officials of the Ministry for Foreign Affairs appear to have intimated that they thought there need be no hesitation in according Japan's acceptance of the proposals in principle. But at the same time they made it clear that owing to events in Manchuria and the dispute with China over that territory the situation in the Far East was peculiar. Great caution would therefore be required, especially as regards President Roosevelt's fourth proposal (for a pact of non-aggression embodying an agreement on the part of Japan and other countries not to send armed forces across their frontiers). This might be acceptable if the world were prepared to regard the Great Wall as the boundary of Manchukuo; but otherwise it would be difficult for Japan to agree. Further, as regards disarmament, the opinion was expressed that it would be difficult for Japan to accept the MacDonald proposals on the subject of aggressive weapons³ as a basis for discussion at Geneva since Japan had herself already formulated and presented to the Disarmament Conference her own scheme, which she could not very well abandon before it had even been discussed.

3. Press comment has in the main followed the same lines, but considering the importance of the subject has been surprisingly scanty. The 'Jiji' doubts whether a new pact of non-aggression would amount to more than a super-structure on the existing anti-war pact and whether a set of 'Don'ts', without measures designed to improve the conditions giving rise to them, would be effective. Moreover, the paper points out, it is essential that Japan should insist upon the right of self-defence and make clear her attitude upon this point to the world before committing herself to any new undertakings. The 'Chugai Shogyo' argues on the same lines and says that the world can no longer allow itself to be led by Great Britain and the United States, while the proposal for an agreement prohibiting the sending of troops across frontiers would be unworkable in a situation such as that which now prevails in China. The 'Hochi' says that President Roosevelt's proposals are evidently partly aimed at the Far East, and that there is nothing objectionable in them, provided, however, that the world will recognise that the Japanese military operations in North China have been undertaken in the legitimate use of the right of self-defence. The 'Kokumin' adopts the same tone, while the 'Nichi Nichi' characterises the idea of a world-wide pact of non-aggression as impracticable and wonders at the ignorance of actualities implied by the proposals.

I have, &c.,
T. M. SNOW

³ Cf. Volume IV, Appendix IV.

Sir M. Lampson (Peking) to Sir J. Simon (Received May 31, 9.30 a.m.)
No. 602 Telegraphic: by wireless [F 3651/18/10]

PEKING, May 30, 1933

My telegram No. 595.¹

Following information has been furnished me confidentially from the same source.

2. Informal negotiations have been proceeding so far smoothly in Peking with intention only of appointing formal delegates for conclusion of agreement after negotiations have been practically completed. So far Japanese have not been unreasonable. Whether it will be possible for Chinese to avoid written agreement is not known. Huang Fu and Ho Ying-chin are acting together but Chinese intention is that any agreement reached should be a purely military one between military representatives so as to avoid political issues. There has been some trouble at Nanking as well as Canton over peace negotiations.

3. On May 26th Feng Yu-hsiang who is at Kalgan issued manifesto criticizing government for failure to resist, denouncing peace and calling upon nation to rise up in defence of Chinese territory and announcing his assumption of office as Commander-in-Chief of the peoples' anti-Japanese army.² Sun Tien-ying, rem[n]ants of whose army after expulsion from Jehol are between Kalgan and Dolonor, and Fang Chen-wu (see 'who's who' in 1929 annual report)³ are reported to have placed themselves under Fang Chen-wu's⁴ orders. Fang Chen-wu and 4,000 men recently moved from near Paotingfu where they had been under suspicion to Hsuanhua near Kalgan where they have now forcibly taken over local administration. According to my informant it is not yet clear whether serious trouble is brewing. Huang Fu is in communication with Feng Yu-hsiang and hopes to be able to handle the situation but local rumours assume that Feng Yu-hsiang is in alliance with Canton and other anti Chiang Kai-shek elements.

Repeated to Commander-in-Chief, General Officer Commanding, Mission and Tokyo.

¹ No. 589.

² Cf. James E. Sheridan, *Chinese Warlord. The Career of Feng Yu-hsiang* (Stanford, California, 1966), pp. 270-3.

³ Not printed. General Fang Chen-wu, a member of the National Government Committee since December 1931 (cf. Volume IX, No. 89), had been suspected of supporting the opposition to General Chiang Kai-shek in 1929.

⁴ It was suggested on the filed copy that this name should be 'Feng Yu-hsiang's'.

No. 589

Sir M. Lampson (Peking) to Sir J. Simon (Received May 31, 9.30 a.m.)
No. 603 Telegraphic: by wireless [F 3638/18/10]

PEKING, May 30, 1933

Following received from Mission [No.] 231 May 27th.

First two sentences of my telegram No. 229¹ were confirmed to me last night by Wang C. W.² at dinner, who added that Government hoped by taking this line to avoid precipitation of internal crisis and thus enable progress to be made in London towards solution of Sino-Japanese difficulties as side issue of Economic Conference.

¹ See No. 585.

² Mr. Wang Ching-wei.

No. 590

Sir M. Lampson (Peking) to Sir J. Simon (Received June 1, 9.30 a.m.)
No. 614 Telegraphic: by wireless [F 3654/18/10]

PEKING, June 1, 1933

My telegram No. 595.¹

Armistice was signed at Tongku [Tangku] yesterday.

Repeated to Tokyo, Mission, General Officer Commanding.

¹ No. 583.

No. 591

Sir M. Lampson (Peking) to Sir J. Simon (Received June 1, 7 p.m.)
No. 616 Telegraphic: by wireless [F 3697/18/10]

PEKING, June 1, 1933

My telegram No. 602.¹

Chinese and Japanese delegates met at Tongku [Tangku] on May 30th and armistice terms of which had already been negotiated was concluded on May 31st between General Hsiung Pin of Peking Military Council and General Okamura Vice Chief of Staff Kwangtung army as chief delegates.

2. According to version given out by Japanese military sources agreement consists of five articles namely: Chinese to keep west and south of line Yenching-Tungchow-Lutai (reference in my telegram No. 572);² Japanese army to have the right to inspect Chinese withdrawal by aeroplane or other means; after confirmation of Chinese withdrawal Japanese troops to retire to the Great Wall; Chinese police to maintain order in (evacuated) area north and east of barrier line; and agreement to come into force from time of signature.

¹ No. 588.

² No. 576.

3. Conclusion of agreement followed on meeting between Chiang Kai-shek and Wang Ching-wei and other government leaders at Kuling and it is assumed (though I have no confirmation) that it was made with full knowledge and authority of National government.

4. Denunciations are to be expected from Canton but it remains to be seen whether these are anything more than a political gesture, such comment as has yet appeared in the native press in the north accepts the armistice as an unavoidable humiliation.

5. There has so far been no response from Yen Hsi-shan, Han Fu-chu, Wu Pei-fu or other northern leaders to Feng Yu-hsiang's declarations and local Chinese opinion tends to the view that the latter's coup at Kalgan has misfired.

Repeated to Mission, Tokyo, Commander-in-Chief and General Officer Commanding.

No. 592

*The Chinese Minister in London to Sir J. Simon (Received June 6)*¹

F.O. 33/63 [F 3725/18/10]

CHINESE LEGATION, LONDON, June 3, 1933

Your Excellency,

I have the honour to send herewith for your information a copy of the truce agreement, subject to corrections in translation, signed by representatives of the Chinese and Japanese military authorities in Northern China; and also a copy of a statement by Mr. Wang Ching-Wei, President of the Executive Yuan, in reference to the said truce agreement.²

I have, &c.,
QUO TAI-CHI

ENCLOSURE I IN No. 592

Translation

A truce between representatives of the Chinese and the Japanese military authorities was signed at 11.10 a.m. on June 1,³ 1933. The Japanese and the Chinese military authorities agreed to the following provisions:

- (1) The Chinese troops will withdraw to the west and south of a line extending from Yenching, through Changping, Kaolitai [Kaoliyung], Shunyi, Tungchow, Hsiangho, Paoti, Lintingkow, Anchiho [Ningho] to Lutai. They will not advance beyond the line as defined and will refrain from all 'provocative' activities.

¹ Date of filing in the Foreign Office.

² English translations of the Sino-Japanese truce agreement and of Mr. Wang Ching-wei's statement, as transmitted to the Secretary-General of the League of Nations by the Chinese delegation on June 3, are printed in *L/N.O.J.*, S.S. No. 113, pp. 9-10.

³ This date reads 'May 31st' in the text of the agreement in *L/N.O.J.*, S.S. No. 113 (see note 2), and in the translation of the official text, released for publication on May 18, 1936, printed in *The China Year Book 1936*, p. 176. Cf. also Nos. 590-1 above.

- (2) The Japanese military forces may use aeroplanes and other means to ascertain the fulfilment by Chinese troops of the above provision. The Chinese authorities will give them protection and facilities.
- (3) When the Chinese troops have withdrawn within the line defined in Article I, the Japanese forces will refrain from attacking and pursuing and will voluntarily and entirely withdraw to the Great Wall.
- (4) The maintenance of peace and order in the territories south of the Great Wall and north and east of the line defined in Article I will be entrusted to the Chinese police.
- (5) The above provisions will take effect immediately after signature.

ENCLOSURE 2 IN No. 592

A statement by Mr. Wang Ching-Wei, President of the Executive Yuan on the truce agreement signed by representatives of the Chinese and Japanese military authorities in northern China

After the fall of Jehol the Chinese troops along the Great Wall fought fearlessly against the Japanese military forces in order to defend and recover Chinese territory. Though handicapped by the lack of deadly weapons and sinews of war, thanks to the loyalty and bravery of our officers and soldiers we were able to engage in the severest fighting continuously for three months without our troops relaxing in the least their energy.

The battles which the troops under the command of General Miao Cheng-liu, Sung Che-Yuan, Shang Chen and Hsu Ting-Yao respectively fought at Lamatung, Hsifengkow, Lengkow and Kupeikow demonstrated their fearlessness of powerful enemies and resulted in the glorious and noble sacrifice of their lives. The recent fighting around Nantienmen, during which the casualties of the troops despatched there by the Central Government exceeded one-half of the total number, was especially terrible and proved unmistakably the patriotic spirit in which they made their supreme sacrifice.

The Japanese army with such superior weapons as heavy guns, tanks and bombing planes ceaselessly attacked the Chinese troops, who fought as it were with their own flesh. But the Chinese troops tenaciously held their ground until their defence works were completely destroyed by the bombing of the Japanese air-planes, and it was only then that the Chinese troops were compelled to retreat for strategic reasons.

The bombing from the air was not confined to the Chinese military camps, but it was also wantonly extended to the civilian population who had no part in the military engagements, resulting in the slaughter of innocent people and the ruthless destruction of their property.

On May 22nd and 23rd the Japanese troops were advancing rapidly on Tientsin and Peiping, where there is a large population and where foreign nationals and Chinese live in close propinquity. Such atrocities as are mentioned above threw them into a panic and they ardently hoped that measures would be adopted to relieve the tension of the situation so that the catastrophe might be averted.

The Chinese Government urged as well as encouraged the troops to continue the defense of the country with heart and soul to the best of their ability. At the same time the Government would permit the cessation of local hostilities provided that the territorial sovereignty of China be not impaired and the various international agreements concerning the maintenance of world peace and justice remain unprejudiced.

The agreement relating to cessation of fighting in Hopei province has now been signed by the representatives of the military commanders at the front. Needless to say, it is most painful to examine this document. However, it is confined to military matter [matters]⁴ and touches upon no political issues. It does not in the least affect the fundamental policy which the Chinese Government has adopted. The Chinese Government [China]⁴ will seek a just and equitable settlement of the whole situation in the Far East under the same principles which have hitherto guided her efforts in this regard and which have been upheld practically by all the nations of the world.

⁴ Wording in the text in *L/N.O.J., S.S. No. 113, op. cit.*

APPENDIX

Sir M. Lampson's review of events in China, 1926-1933

Sir M. Lampson (Peking) to Sir J. Simon (Received November 7)

No. 1158 [F6991/26/10]

PEKING (at PEITAIHO), *August 24, 1933*

Sir,

My term as British Minister at Peking, which has lasted some seven years, is now drawing to a close.¹ These years, 1926 to 1933, have been eventful ones in the Far East, and it may be useful if I attempt a review of what has passed and what has been accomplished during my mission in China.

2. My first acquaintance with the Far East dates from the time of the Garter Mission to Japan in 1905; later I served as Secretary to His Majesty's Embassy at Tokyo during the years 1908 to 1910, returned again to Japan with the Special Mission for the funeral of the Emperor Meiji in 1912, and served as Secretary to His Majesty's Legation in China from 1916 to 1920, including some months as Acting High Commissioner in Siberia and Chargé d'Affaires at Peking; and I subsequently dealt for some years with Far Eastern affairs in the Foreign Office, including service on the British delegation to the Washington Conference. At the time, therefore, of my appointment as His Majesty's Minister to China I had already had more than twenty years' experience, of one sort or another, of the affairs of China and Japan, and was better able perhaps to appreciate the great and momentous changes which had taken place in the Far East in the years immediately following the European War.

3. These post-war years in China had been a period of national awakening, which coincided with the gradual collapse of the Peking Government of the Northern Militarists, a relic of Yuan Shih-k'ai's rule, and the rise of the new revolutionary Nationalist Government in the South. They had been years of increasing storm and stress, especially after the Nationalist movement fell, in 1924-1925, under external and Communist influences and became thereafter for two or three years primarily directed against the British Government and British interests in the Far East. There is no doubt that the rise of Chinese nationalism was a genuinely dynamic movement of domestic origin; and equally that the anti-British agitation was a phenomenon of alien inspiration, with its flames fed by fuel from external sources. It was indeed a comparatively easy matter to fan the rising flames of Chinese nationalism and turn them against the foreigner, 'foreign capitalism' and the 'Unequal Treaties'; nor was it difficult for interested parties, profiting by the conservative attitude of the British communities and by certain unfortunate incidents which occurred at this time, to direct the fire of Chinese resentment against the British Government and British interests, who, as the principal architects of the Treaty system and from the earliest days of Sino-foreign intercourse the leaders in the conduct of China's foreign trade, bulked everywhere the largest in Chinese eyes.

¹ Sir M. Lampson, recently appointed H.M. High Commissioner for Egypt and the Sudan, was to take up his new position in December 1933.

4. When I arrived in China towards the end of the year 1926—on November 30th to be exact—the situation was apparently at its worst. The Tariff Conference at Peking had collapsed earlier in the year, leaving nothing behind it except a doubtful but embarrassing commitment regarding the introduction of Tariff Autonomy on January 1st, 1929. The Legations in Peking had been left groping after the shadow of a moribund Central Government, whose control, so far as China Proper was concerned, hardly extended beyond the confines of the metropolitan province. In the South there had been established a revolutionary government under foreign influence and of frankly red complexion, which had embarked on a campaign of forcible Treaty abolition and loudly proclaimed its communistic sympathies and its anti-foreign, and more particularly anti-British, intentions. The advance guards of the revolutionary armies had reached and captured the Wuhan cities, whither the red Nationalist Government was being removed from Canton; and Central China in general and the Yangtze Valley in particular were ablaze with labour troubles, civil warfare and anti-foreign riots.

5. Meanwhile Great Britain had once again taken the lead amongst the Powers by laying down a new China policy, enunciated in the Memorandum of December 1926, in which His Majesty's Government declared their willingness to negotiate on Treaty revision and on all other outstanding questions as soon as a responsible Chinese Government had been established, urged the abandonment of the idea that the economic and political development of China could only be secured under foreign tutelage, suggested the immediate and unconditional grant of the 'Washington Surtaxes', and announced their readiness to recognise China's right to enjoy Tariff Autonomy as soon as a uniform and non-discriminatory national tariff had been introduced. The intentions of His Majesty's Government, to meet as far as might be practicable the legitimate aspirations of the Chinese people, were further and more precisely defined a month later, in the Treaty revision offer communicated to the governing authorities in North and South China in January 1927. It may be added that these proposals were received at the time with little enthusiasm by the other Powers, some of whom showed less than two years later an embarrassing readiness to make far greater concessions to the Chinese.

6. The story of the first five years of my mission in China is largely that of our accomplishments in implementing the policy formulated in these papers. All major negotiation was however brought to a standstill by Japan's intervention in Manchuria in the Autumn of 1931, and during the last two years we have been mainly pre-occupied in seeking to moderate the spread of Japanese aggression in China and in attempts to compose the conflict between the two great Nations of the Far East—the main plank in our platform being the establishment of a united and prosperous China with whom we may continue and enlarge our trade.

7. To revert to the chronological sequence of events, I thus arrived in China at one of the most critical turning points in the history of Sino-British relations. It is no exaggeration to say that we had found ourselves at this time on the verge of warlike action in China, to which certain elements amongst the Chinese and their foreign advisors [*sic*] were doing their best to provoke us. His Majesty's Government adhered, however, to their carefully weighed policy and refused to be goaded or incited to extreme measures. I can state with conviction that my task at this time of crisis was immeasurably lightened by my being the instrument for the execution of Great Britain's new policy, a policy which, wisely laid down and resolutely pursued, incontestably justified itself by the results obtained.

8. My first act on arriving in China was to proceed to Hankow and seek to get

on terms with the new revolutionary government established in the Wuhan cities. After exploring the ground and doing my best to lay the foundations of a new relationship with Nationalist China, I proceeded to Peking, only to be greeted almost immediately after my arrival in the Northern capital with the news of the seizure on January 3rd, 1927, with the connivance or at least the acquiescence of the Nationalist Government, of the British Concession at Hankow by a Chinese mob. Nevertheless His Majesty's Government proceeded with the presentation of their Treaty revision offer; and there ensued the negotiation and conclusion, on February 19th, of the agreements for the rendition of the British Concessions at Hankow and Kiukiang. I do not propose to discuss the contentious question of the Hankow agreement at any length in the present despatch, and will merely say that, after various vicissitudes, the settlement has been loyally carried out by both sides and has on the whole proved an eminently successful experiment in Sino-British co-operation in municipal affairs; while the Hankow riot, hitherto almost an annual affair, has since 1927 been conspicuous by its absence. On the other hand, owing to the circumstances in which the agreement was negotiated and the impression thus created of a surrender to Chinese violence, the affair continues to this day to rankle with the British communities in China. Memories are short in some respects and long in others; and, while the feelings of irritation and humiliation have remained, the difficulties and circumstances of the moment, including the reactions of the local residents at the time, the dangers to British subjects throughout Central China, and questions of general policy, are forgotten. In short, I have little doubt that we did the right thing in the wrong way; though whether a satisfactory alternative could have been found at the time, I am not prepared to say.

9. In any case His Majesty's Government, while agreeing to rendite the British Concessions at Hankow and Kiukiang, gave unmistakable proof of their determination not to be stampeded into the surrender of vital British interests by their prompt response to the recommendations of the Commander-in-Chief, His Majesty's Consul-General at Shanghai, and myself in sending out the Defence Force for the protection of the International Settlement at Shanghai. At the same time the armed forces of the Crown were authorised, and did not hesitate, to use force to protect British life and property against direct attack when and where they were in a position to do so. In these circumstances, His Majesty's Ships on the Yangtze were at this time frequently in action against the bands of unruly soldiery of the revolutionary armies. It was in fact noteworthy that up to the time of the Nanking incident in March 1927 no British lives had been lost in the turmoil in Central China resulting from the irruption of the Nationalist forces; while in the much advertised Hankow affair even the damage to British property had been insignificant. There is no doubt that, so far as concerned the actual armed protection of British life and property in these stormy times, all was done that could have been done short of actual warfare in Chinese territory.

10. The situation had, however, not yet reached its worst and the conclusion of the Hankow and Kiukiang agreements was followed by the Nanking incident of March 24th, 1927, the most serious anti-foreign outrage since the Boxer rising and the culmination of the policy of violence and provocation pursued by the extremist and semi-communist factions of the Kuomintang. Again His Majesty's Government held their hand and, accepting the theory that the outrage was the work of the communist element in the revolution, gave the new Nationalist Government time to purge itself of these alien influences and make such reparation as lay within its power. Once again this policy of forbearance was justified by the

results. For it subsequently transpired that the Nanking outrages marked the turning point in the flow of red revolution and that the incident itself was not unconnected with this turning of the tide. Thereafter, though it was by no means apparent at the time, the situation was gradually to improve with the elimination of the Communist elements from the Kuomintang.

11. The rest of the year 1927 passed in a welter of Chinese civil warfare and internal political dissension, involving the communist and anti-communist factions of the Kuomintang, the latter under the leadership of Chiang Kai-shek, and, in the North, on the one side, Chang Tso-lin and Sun Ch'uan-fang and their disreputable allies Chang Tsung-ch'ang and Ch'u Yu-p'u, and on the other Yen Hsi-shan and Feng Yu-hsiang. The tide of the Nationalist invasion ebbed and flowed, without any final result, across the plains of North China. And Japan, after putting up with all manner of insult on the Yangtze, adopted under the Tanaka Cabinet a much advertised new 'positive policy', despatched troops to Shantung, and warned the Nationalists off the sacred soil of Manchuria.

12. In this nightmare of political and military confusion nothing could be accomplished in the field of foreign relations, and, apart from the intermittent and fruitless discussions for a settlement of the Nanking incident which I held with agents of the unrecognised Nationalist Government at Shanghai, we were mainly occupied throughout the year in protecting vital British interests in the general turmoil, in frustrating the attempts of the Nationalist Government, which as yet only controlled the Southern and Central China ports, to seize tariff autonomy, and in endeavouring to prevent the disruption of the Customs Administration in the confusion which had ensued from the regional levy of the 'Washington Sur-taxes' and the foolish dismissal of Sir Francis Aglen by the moribund Northern Government.

13. Nevertheless there were indications at the end of 1927 of the dawn of better days and the end of the long night of violent revolution. The teeth of the anti-British agitation had seemingly been drawn, our attitude of friendly forbearance appeared to be bearing fruit in a definite improvement in Sino-British relations, and the British communities in Central China, who had been forced to evacuate the majority of the river ports and up-country stations, were generally returning to their homes. On the Chinese political stage Chiang Kai-shek was beginning to emerge as the controlling force in the new Nationalist Government which had been purged of its red elements. The wheel of Soviet activities in China had by now completed its full circle, the Bolshevik plot to Sovietise China by securing control of the Kuomintang had definitely failed, and the year 1927, which had seen the rise to its culminating point of Soviet influence in the revolution, had thus witnessed also its complete extinction. Nor was the story without its moral. For these results had been obtained, not by the anti-Bolshevik leaders in the North, nor by foreign intervention, but by the actions of the Kuomintang leaders, who, left to their own devices, had themselves purged their party of the alien communist influences which threatened the very foundations of the Chinese social structure. One must, however, also recognise the credit due to Great Britain's policy of patient non-intervention and also to the Peking authorities for their bold action in raiding the Russian Embassy in April and thus bringing to light a mass of incriminating documents showing the real nature of Soviet plans and activities in China. It is not without interest to recall that many of the leading members of the 'Red' Government established at Wuhan in the early days of 1927 have since become the pillars of the National Government of China which now enjoys the recognition of,

and a very considerable measure of sympathy from, the Governments and Peoples of the West.

14. The failure of the Nationalist Government to settle the Nanking outrage remained, however, an insuperable obstacle to our getting on terms with the revolutionary party, while the continued existence of two Governments in China prevented any real progress being made with our policy of Treaty revision. Both these obstacles were fortunately removed in 1928. Our persistent efforts to negotiate a settlement of the Nanking incident were at last crowned with success and notes were finally exchanged in August under which the Nationalist Government undertook to make full reparation for the outrage. Shortly before the Nationalist forces, checked for a while by the Japanese in Shantung, had continued their victorious progress and finally reached Peking. Chang Tso-lin, who had the previous year declared himself Generalissimo of the Armies for the Pacification of the Country, fled to his ancestral home in Manchuria, where he was assassinated in circumstances which have never been cleared up. The revolutionary leaders could thus claim to have eliminated their Northern rivals, to have established themselves as 'the National Government of China', and to have unified the country under the flag of the Kuomintang.

15. Matters now went with a rush. The first development, and one entirely unexpected, was the conclusion at the end of July of a Sino-American Treaty according China full tariff autonomy. The Americans had already been the first, taking advantage of the progress made in our negotiations (as was frankly and gratefully admitted to me by Mr. MacMurray, the then American Minister), to reach a settlement of the Nanking incident. And the United States, who had shown little sympathy with the liberal attitude of His Majesty's Government at the Tariff Conference and had noticeably lagged behind Great Britain in the formulation of a new and up-to-date policy *vis-à-vis* Nationalist China, were thus able to overtake and steal a march on His Majesty's Government, and take the lead in making the first Tariff Autonomy Treaty with the new National Government.

16. A flood of tariff autonomy treaties followed. But this was not all. Doctor C. T. Wang, the able and energetic Minister for Foreign Affairs, was also successful in rushing a number of the smaller Powers, and also Italy, into the conclusion of further Treaties under which the Governments concerned agreed to relinquish their extra-territorial rights from a date to be fixed by China after she had reached agreement on the subject with the other Washington Conference Powers. The effects of these somewhat startling developments were far-reaching and the drive of the now established 'National Government' for the 'abolition of the Unequal Treaties,' was well under way.

17. His Majesty's Government, who had initiated the whole policy now being pursued by some other Powers with almost indecent haste, proceeded with more deliberation; and I was engaged during the closing part of the year 1928 in negotiating a considered Tariff Autonomy Treaty, which, finally signed on December 20th, embodied all the safeguards deemed necessary for the occasion. At the same time I presented my credentials to Chiang Kai-shek with fitting ceremony which marked the *de jure* recognition of the National Government of China by His Majesty's Government—the first foreign Government to do so. I can safely say that this climax to the labours of the first two years since I reached China, in spite of its apparent tardiness as compared with the actions of some of the other Powers, was appreciated by the Chinese as the logical outcome of a policy in which Great Britain had taken the lead, as befitted her historical position in China.

18. It is not without interest to reflect on the rapidity with which the situation had developed in connection with China's claim, which seems nowadays a perfectly reasonable and proper one, for the removal of the tariff restrictions laid upon her by the Treaties made more than half a century before. As late as the year 1925 the Powers met in solemn conclave to consider the conditions on which (likin abolition) and the purposes for which (debt consolidation) they would be pleased to permit the levy of the 2½% and 5% surtaxes above the Treaty rate of 5%; while up to this time any attempt on the part of the Chinese authorities to levy increased duties above the 5% rate on imported luxury goods such as wines and tobacco produced streams of protests from the interested Powers. Later on, after the collapse of the Tariff Conference, the proposal put forward and strongly pressed by His Majesty's Government in the latter part of 1926 that the 'Washington Surtaxes' should be granted without more ado met with a generally unfavourable reception on the part of the other Powers concerned. Yet two years later the Nationalist Government was successful in securing full and practically unconditional Tariff Autonomy. In spite of the heavy duties since imposed, it cannot, I think, be said that China has to date abused this tariff freedom, the very idea of which a few years ago was regarded as little less than unthinkable in foreign circles in China. Moreover, left to their own devices the Chinese have themselves introduced their own fiscal reforms in their own way; likin has to a considerable extent been abolished, and real progress has been made in the reorganisation and regularisation of internal taxation. The moral, I think, is that we must take certain risks in the task of modernising our relations with China and that we may well in the result find that the dangers we made so much of in anticipation were in the event more apparent than real.

19. On the debt question, it must, however, be admitted, little or no progress has been made. It will be recalled that the representatives of the concert of foreign Powers at the Peking Tariff Conference spent much of their time and energies in evolving elaborate schemes for the consolidation of China's unsecured debt on her increased customs revenues which were to be entirely devoted to this purpose for the next two generations or so; and that there was general consternation when His Majesty's Government announced their disapproval of these proposals for turning the Chinese Customs revenues into a *caisse de dette* under foreign control for decades to come and expressed the opinion that the question of China's claim to levy higher customs duties should be divorced from that of her debts which she should be left to settle in her own way at her own time. We now know that His Majesty's Government were right and that any Customs *caisse de dette* arranged with the moribund Peking Government of 1925-1926 (in the very unlikely event of even that Government agreeing to any such proposal) would have been blown to pieces by the force of the Kuomintang revolution. On the other hand, it is true that China, left to settle her debts in her own way at her own time, has made singularly little progress in doing so. But there is still time—and Doctor T. V. Soong is a man of foresight and knowledge so that I do not myself despair of something being eventually evolved upon commonsense practical lines.

20. It was during this year, 1928, that I started the practice, which I followed in all the subsequent years, of making official tours and establishing personal relations with the British communities and the local Chinese authorities throughout the country, a practice, I think I may justly claim, which under the peculiar circumstances then (and still) prevailing in China, proved of great value and benefit to all concerned. On these tours in 1928 I was able to expound, both to

our own people and to the Chinese, the fundamental points in British policy, namely, on the one hand, our determination not to permit ourselves to be deprived by forceful action of our Treaty Rights, and, on the other hand, our readiness at any moment to negotiate the revision of the old Treaties in a peaceful spirit with any Government which could speak for the Chinese people and fulfil the engagements which they made. How far and how fast we could go in meeting Chinese aspirations for the revision of the Treaties depended mainly on the Chinese themselves and on the measure of their ability to carry out their engagements and provide satisfactory protection and adequate security for British life, property and commercial enterprise in China.

21. The year 1928 also saw the end of Peking as the capital of China and the establishment of the National Government at Nanking, with all the attendant complications relating to the transaction of business in a centre some forty hours' distant by train (if and when the railway was running) from the seat of the foreign Legations. The manner in which these difficulties were overcome by the gradual establishment of a branch of His Majesty's Legation at Nanking, and the physical obstacles in the way of the transfer of my headquarters to the new capital, have been fully discussed and reported in a series of despatches on the subject. Apart from my official tours of the Treaty ports, I and a nucleus of my staff resided for many months during the next five years at Nanking, at first under conditions of considerable discomfort which gradually improved as our arrangements became better organised. But I must admit that they still leave much to be desired—and I am afraid that I must leave it to my successor finally to cope with this particular problem. I am however quite clearly of the opinion that to have transferred more thoroughly to Nanking up-to-date would have been a mistake, if only on the ground of public expense.

22. In the field of China's international relations the year 1928 saw the appearance of two particular developments in the situation which were destined to colour the political attitude and activities of the National Government during the next five years. The first was the tendency to look to America for advice and assistance, especially in financial matters, and the second the beginnings of serious friction with Japan.

23. As regards the first point, it seemed in the stormy days of 1925, 1926 and 1927 as though the United States were playing an increasingly neutral and negative part in China, so that there was a tendency more and more to discount America as other than a sentimental and moral factor in the Chinese situation. This may have been true at the time; but the United States were soon, in the days of nationalist renaissance which were now beginning, to reap the benefit of their traditional policy of aloofness in Chinese affairs, as well as (and this was perhaps an even more important factor) of the American training enjoyed by so many leading lights of Young China. It is scarcely an exaggeration to say that the reorganisation of China's financial system has since been, and still is, largely in the hands of American advisors.

24. As regards the second point, serious friction with Japan began to develop after the Tsinan affair in May, when Japanese troops came into action against the revolutionary southern forces. Later in the year Japan was found openly urging, or rather warning, Chang Hsüeh-liang not to hoist the new Nationalist flag in Manchuria. Japan was no doubt in any case bound to come sooner or later into collision with the new China of the Kuomintang. During the preceding years, while the Chinese Republic was apparently drifting to chaos and disruption, the

Japanese Government of the time had pursued a policy of extreme conciliation. But when, with the rising tide of successful revolution, the whole country, including the Three Eastern Provinces, seemed likely to be united under the flag of the Kuomintang, which stood for real independence, China for the Chinese and the elimination of foreign rights and influence, the National Government drifted inexorably into conflict with Japan.

25. These two tendencies, the reliance of Nationalist China on American assistance and friction with Japan, are likely to be essential factors in the situation in the Far East in the years to come. More recently a third factor, China's tendency to turn to the League of Nations, has made its appearance on the scene, a development with which I will deal further in later paragraphs of this despatch.

26. The tariff issue having been disposed of and the National Government formally recognised, the opening of the year 1929 saw the stage set for taking in hand the negotiation, in accordance with the declarations of His Majesty's Government, of such measure of Treaty revision as might be found practicable, as well as of other questions outstanding between Great Britain and China, including the rendition of Weihaiwei and the remission of the British share of the Indemnity of 1901, to both of which His Majesty's Government had been committed since 1922, but the execution of which had had to await the restoration of more normal conditions and more latterly the establishment of a recognised Chinese Government. Other matters waiting to be dealt with were the various Shanghai questions, including the future of the Chinese Courts in the International Settlement, the rendition of the smaller British Concessions, for years past a source of embarrassment rather than advantage, and finally the bigger issues of Treaty revision, including, in the background, the formidable and contentious questions of a new Commercial Treaty, coastal, river and inland water navigation rights, and finally extraterritoriality, which, as we became more deeply involved in the details of these problems of Treaty revision, was found more and more to comprise the key of the whole.

27. The pace of the Treaty revision negotiations was, however, still to be retarded by internal political dissensions on the Chinese side. During the whole of 1929, although the country had been nominally unified under the flag of the Kuomintang, Chiang Kai-shek and the Nanking Government were engaged in a continuous struggle to maintain themselves by military action and political manoeuvre against the various leaders and factions, all professing allegiance to the Party, who rose successively against them. Thus in the Spring Chiang emerged victorious from the trial of strength with the Kuangsi faction whose leaders were expelled from their stronghold in the Wuhan cities. All through the summer the National Government were sparring with Feng Yü-hsiang and his Kuominchün in control of the North-West. In the Autumn Chang Fa-k'uei and the Kuangsi leaders in the South and Fang Chen-wu and other malcontents in the North were again in arms against Nanking. And in December Shih Yu-san rebelled just across the river at Pukou and nearly seized the capital by a *coup de main*.

28. In these circumstances, while the National Government, represented by their resourceful Minister for Foreign Affairs, Doctor C. T. Wang, flushed with the successes scored with the smaller Powers, increased the pace of their drive for the abolition of the 'Unequal Treaties', the year 1929 was, for us, a period of reconnoitring and manoeuvring for position. Only two relatively minor questions were disposed of. After protracted negotiations during the summer the agreement for the rendition of the Chinkiang Concession was finally concluded at the end of

October. The arrangements come to, mainly concerning land tenure and the exchange of our crown leases for Chinese deeds of perpetual lease, have proved entirely satisfactory. Their importance lay mainly in the establishment of the principle involved.

29. The second matter disposed of in 1929 was the conclusion of the naval contract providing for the training of Chinese naval cadets in England and the despatch of a British naval mission to China. The agreement was accompanied by a declaration by the Chinese Government of their intention to place substantial orders in Great Britain for the construction of ships for the Chinese Navy. Nothing has come of this declaration, owing to the usual financial difficulties, i.e. the inability or unwillingness of the Chinese Government to pay cash in the absence of any available satisfactory security for payment. The terms of the actual contract have been carried out in China under Captain Baillie-Grohman, R.N., who returned to England this year after doing admirable work in most difficult and discouraging circumstances. For it must unfortunately be admitted that the Chinese Navy and Ministry of Marine are hardly as yet taken very seriously by the Chinese people and their Government. The contract has, however, served to cement yet more firmly the traditional good relations between the British and Chinese Navies and will yet, I hope and believe, be productive of other and more material benefits later on.

30. It was also found possible to do some preliminary work on more important matters during the year. In May I took up with the Minister for Foreign Affairs the question of the rendition of Weihaiwei, which turned, from our point of view, on the making of satisfactory arrangements for the continued use by His Majesty's Navy of the Island of Liukungtao as a sanatorium and summer resort and for the protection of British vested interests on the mainland of the Leased Territory. The weakness of our position lay in the terms of the declaration in which we had announced at the Washington Conference our readiness to return the Leased Territory to China and also, in the last resort, in the nature of our tenure under the original agreement (for as long as Russia held Port Arthur). On the other hand we had in 1924 negotiated a satisfactory, if unnecessarily detailed, draft agreement, the conclusion of which had only been prevented by the collapse of the Peking Government of the time. I therefore now invited the Minister for Foreign Affairs to sign the 1924 draft with suitable minor amendments to bring it up-to-date. Doctor Wang said his Government must consider the matter; and after a silence of a few weeks he informed me (referring to the naval contract which we had signed the previous day) that they had decided to make Weihaiwei a Chinese naval base and close it to foreign residence and trade, and that in these circumstances the 1924 draft would require to be amended accordingly. These amendments he subsequently embodied in a counter-draft which proved to be a completely emasculated and entirely unacceptable version of the 1924 proposals. His Majesty's Government wisely declined to be bluffed by these proceedings and the negotiations were carried no further during the year.

31. Our proposals for a settlement of the Indemnity question, which had been carefully worked out in consultation with the interested departments of His Majesty's Government, were communicated to the Minister for Foreign Affairs in April (1929). After much detailed negotiation, agreement was almost reached in June, when the Chinese side at the last minute put forward fresh proposals tending to whittle down the assurances regarding the purchase of materials in the United Kingdom and introducing certain complications in connection with the

rights of the Banks under the Hukuang Railway Loan Agreement of 1911 in regard to the completion of the Hankow-Canton line. While I must confess to feeling little sympathy with the financial interests concerned with the latter point, the former, concerning the expenditure of a portion of the funds on the purchase of materials in the United Kingdom, was an essential part of our proposals which could not be tampered with and on which I had had strong feelings from the start. As in the case of Weihaiwei, we wisely refused to be rushed into any premature concessions and nothing more was done in the matter during the year.

32. A beginning was also made during the year 1929 with the consideration of the various problems of Shanghai, where the foreign community was still in a state of some perturbation on account of the events of 1927-1928, rumours of the intentions of His Majesty's Government to withdraw the Shanghai Defence Force, and the development of the Chinese drive against the foreign controlled administration of the International Settlement. One of the results of this atmosphere of misunderstanding and suspicion had been the refusal of the foreign community to consider the Chinese application for increased Chinese representation on the Municipal Council of the International Settlement. At the same time proposals were seriously put forward for the conversion of the whole of the Shanghai area into an independent city-state and free port guaranteed by an international garrison of foreign troops; though how this desirable object was to be attained was not made clear. I was able on my visits to Shanghai during the year to counteract this foolish propaganda by explaining to the leaders of the British community the views and policy of His Majesty's Government, namely that, while we believed that the only sound policy for the community was to move with the times and modernise their relations with the Chinese residents and local Chinese authorities in preparation for the changes in the status of the International Settlement which must eventually come to pass, there was no intention on the part of His Majesty's Government to force the pace in any way. I should like to add that during this and the subsequent years I received at all times the most loyal support from the responsible leaders of the British community at Shanghai, however little they may any of them have liked or in their hearts approved British policy. The final outcome of these heart searchings at Shanghai was the invitation addressed by the Council of the International Settlement (on the suggestion of Mr. Lionel Curtis who had visited Shanghai in connection with the Kyoto Conference of the Institute of Pacific Relations) to Mr. Justice Feetham of the South African Bench to investigate the whole Shanghai problem on the spot and recommend a solution. Finally, it remains to mention that after some months of preliminary correspondence and fencing for position between the Chinese Government and the representatives of the Powers concerned, negotiations for the revision of the Provisional Court Agreement were opened a few weeks before the end of the year.

33. As regards the major questions of Treaty revision, I handed the draft of a new Commercial Treaty to the Minister for Foreign Affairs on June 2nd and received his counter-draft a few weeks later. We made every effort to initiate serious discussions, but it soon became apparent that the whole subject, embracing also the thorny question of coastal and inland navigation, was too involved with that of extraterritoriality to be dealt with separately, and that the Chinese had no intention whatever of doing so.

34. The first moves were also made in regard to the latter question during the year 1929. In fact one might say that the indefatigable Doctor C. T. Wang was successful in the short space of nine months in driving the Great Powers from their

main position, the strength of which had already been seriously impaired by the defection of Italy and the smaller European States. In April the Chinese Government addressed identic Notes to the few Powers whose extraterritorial rights they professed to regard as still intact (Great Britain, the United States, France, Netherlands, Norway and Brazil), inviting them to take up the question of extraterritoriality. After full discussion between the Powers concerned, His Majesty's Government replied in August in a Note, drafted in London, in which we developed at some length the reasoned arguments why the extraterritorial and Treaty Port System was still necessary but expressed our readiness to consider proposals for its modification. The Chinese Government replied in turn early in September, inviting us and the other Powers to enter (separately) into immediate discussions for the making of the necessary arrangements for the abolition of extraterritoriality. We replied on November 1st, inviting the Chinese Government to put forward proposals for preliminary study. After some further sparring for position, the Chinese Minister on November 25th informed the Foreign Office in London that the Chinese Government had decided to decree the abolition of extraterritoriality on January 1st, 1930. His Majesty's Government, on due consideration of all the circumstances, decided that the best course to follow was to draw the teeth of this announcement by agreeing that the new year should be regarded as the date from which the process of gradual abolition should in principle begin. But the first round was decidedly to the Chinese Government, who on December 28th issued a Mandate decreeing that as from January 1st, 1930, all foreign nationals should abide by Chinese laws and regulations, at the same time giving the Powers to understand that there was still time to negotiate a settlement.

35. In spite of the incessant turmoil and internal political strife during the year 1929, the National Government were able, during a relatively peaceful interlude, to stage the pomp and ceremony of Sun Yat-sen's funeral. The elaborate programme was successfully carried out and the occasion marked the apotheosis of the defunct revolutionary leader. The importance of Doctor Sun, whose sincerity and idealism cannot, I think, be called in question, in the renaissance of Nationalist China was perhaps hardly realised during his life-time, when he was largely ignored or at best regarded as a trouble-maker by foreign public opinion. Now, however, more than five years after his death, he received the formal homage of the representatives of the foreign Powers who followed his coffin to its last resting place in the much advertised mausoleum on the slopes of Purple Mountain at Nanking. Since then the name and prestige of the late Doctor have tended to diminish rather than increase amongst his countrymen, so that it is perhaps as yet too early for any final judgment on the value of his work to the China of the future.

36. There also occurred in the Summer of 1929 the curious affair of the armed conflict between China and Russia over the Chinese Eastern Railway in North Manchuria. The incident was curious in that up to this time the key-note of the policy of the Union of Soviet Socialist Republics towards China had been to make all possible capital out of the surrender of the special rights and privileges of the Tsarist régime and to pose as the champions of oppressed China against the aggression and Imperialism of the West. Yet on this occasion, in 1929, the Far Eastern public was presented with the singular spectacle of armed action by the Union of Soviet Socialist Republics in Manchuria which was held up by the 'Imperialist' press of Treaty Ports as an example of how to deal with the Chinese. Moreover, so far as its immediate objective was concerned, the military inter-

vention of the Union of Soviet Socialist Republics was eminently successful. The Chinese authorities in Manchuria, taking the Soviets at their face value and believing them to be as innocuous and pacific as their declarations, raided the Russian Consulate at Harbin, arrested a number of Soviet citizens, dismissed the Russian members of the Chinese Eastern Railway Staff, and proceeded to take over the full management of the line and its subsidiary enterprises. The Russians lodged the usual protests and sought during the Summer to reach a settlement by negotiation supported by military demonstrations on the frontier. The negotiations having failed to produce any result, the frontier skirmishes developed in November into regular hostilities. The Chinese forces in North Manchuria proved completely worthless and, on being attacked by Russian cavalry, artillery and aeroplanes, fled in disorder to Hailar. The Mukden authorities thereupon capitulated and accepted the Russian terms, which in effect constituted a return to the *status quo ante*, including the reinstatement of the Russian element in the management of the Chinese Eastern Railway.

37. Other remarkable features of this affair were the rapidity and ease with which it was liquidated and the comparative absence of serious repercussions elsewhere in China and abroad. This was no doubt to be ascribed to the fact that there were no Russian interests in other parts of China to be affected by the pressure brought to bear in Manchuria, while the internal troubles in China Proper and the preoccupations of the Nanking Government also served to distract attention from what was passing in the distant North. On the other hand, when the Japanese only two years later sought to emulate the Russian example and arrive at a local settlement of their difficulties in South Manchuria by dealing the local Chinese authorities a swift and vigorous blow, they stirred up a hornets' nest throughout China and set in train a chain of international complications which are still in process of development.

38. 1930 was another eventful year of almost continuous civil warfare and political strife in China, but at its close the National Government and Chiang Kai-shek had again emerged victorious and were in a stronger position *vis-à-vis* their internal rivals than ever before. This time the main scene of conflict lay in the North, where Yen Hsi-shan and Feng Yü-hsiang threw their combined forces into the scale against Nanking. Military operations on a large scale ensued throughout the Spring and early Summer, in which, while the Shansi forces were beaten back in Shantung, Feng Yü-hsiang's Kuominchün in Honan held their own against Chiang Kai-shek's crack divisions trained by his German advisors. In the meantime Wang Ching-wei and other out-of-office politicians of the Kuomintang (the so-called Reorganisationists) had joined hands with Yen and Feng and proceeded to Peking to organise a rival National Government in the North. The issue was, however, decisively and dramatically settled in the Autumn by the action of the Young Marshal (Chang Hsüeh-liang) of Manchuria in coming out on the side of Chiang Kai-shek and the Central Government. The leaders of the rebellion accepted the inevitable and announced their retirement into private life; and peace was restored leaving Chiang Kai-shek, supported by Chang Hsüeh-liang in the North, still in control of the Government. Events in South China had followed a somewhat similar course, the leaders of the Kuangsi faction having in the early part of the year taken advantage of the situation to rise in rebellion against Nanking. Ch'en Chi-t'ang at Canton, and Ho Chien in Hunan, had, however, remained loyal to the National Government and thus prevented any serious spread of the Kuangsi rebellion. There had also, as the result of these

constant civil wars, been a serious aggravation in the Southern and Central provinces of the communist menace and in the Summer the red forces raided many important towns in the Yangtze Valley, including Tayeh, Shasi, Yochow and Changsha, the capital of Hunan.

39. Nevertheless in spite of this political and military turmoil the year 1930 was for us one of accomplishment in the field of Sino-British relations, which were further improved and placed on a basis which at long last enabled us to dispose satisfactorily of some of our outstanding issues, including the Shanghai Court, the rendition of Weihaiwei and the remission of the Indemnity, as well as other minor questions such as the retrocession of the Amoy Concession.

40. The Shanghai Court negotiations, which had been begun in the previous December, were concluded by the signature on February 17th, 1930, of an agreement abolishing the old Provisional Court (the successor of the Mixed Court) and establishing in the International Settlement Chinese District and Branch High Courts. The problem of the Shanghai Courts has been aptly described as arising from the fact that in the International Settlement at Shanghai insofar as its huge population of Chinese are concerned the Executive (the Municipal Council) and the Judiciary (the Chinese Courts) draw their powers from different national sources, the former foreign and the latter Chinese. Obviously, unless the one can control the other, the only solution lies in co-operation between the two. Owing to the accident of the revolution of 1911 these difficulties were for many years satisfactorily disposed of, from the foreign point of view, by bringing the Chinese Courts also under foreign control. This state of affairs lasted very much longer than (looking back) one could have expected, until the Chinese secured the conditional rendition of the Courts in 1926. But the foreign interests concerned succeeded in retaining a certain check on the proceedings of the Courts, more particularly through the 'Senior Consul's Deputies', who had taken the place of the old Consular Assessors. The result, however, had been a succession of unseemly and futile wrangles between the Consular Deputies and the Chinese judges, punctuated by intermittent crises which threatened to wreck the operation of the Courts. The foreign 'Diehards' were clamouring for reform backwards and a return to the Assessor system of the old Mixed Court, while the Chinese were working for the complete elimination of every vestige of foreign influence from the Courts and the judicial police. The foreign attitude was then, as earlier and later, largely coloured by the views and interests of the foreign lawyers and real estate owners, who caused the strongest possible representations to be made in favour of strengthening the foreign safeguards in the operation of the Courts and against any further concessions to the Chinese.

41. The decision rested in actual practice on the foreign side in the hands of the British and American representatives and their Governments; and we, wisely as events turned out, discounted the vociferous foreign propaganda and made a fair and reasonable agreement with the Chinese Government under which the Chinese Judiciary were given the chance to co-operate honestly, and as far as possible without our interference, with the foreign Executive in the administration of the International Settlement so far as its Chinese and non-Treaty Power population were concerned. The result, despite statements to the contrary, has been a noticeable absence of friction between the foreign municipal and Chinese judicial authorities in the Settlement. And, in spite of the continued interested propaganda against the Agreement, there is no doubt that it has worked satisfactorily, at any rate so far as concerns the administration of criminal justice, which is the essential

point in the maintenance of law and order in the Settlement. In civil mixed cases, i.e. cases in which foreigners are plaintiffs, the new Chinese Courts in the Settlement have given rise to the same complaints as Chinese Courts all over the country, namely delays and difficulties in securing the execution of judgments, defects which are however inherent in the judicial system, if not in the social structure, of China and which can only be completely remedied, from the foreign point of view, by foreign control. In short the Shanghai Courts Agreement of 1930 once again justified the policy of going boldly forward, in spite of the risks involved, to meet the inevitable changes in Sino-foreign relations, instead of waiting to be submerged thereby. The agreement expired early this year and has since been renewed for a further period.

42. The negotiations for the rendition of Weihaiwei were resumed in January, when the Minister for Foreign Affairs was found after the delay of six months to be in a much more amenable frame of mind and to be prepared to abandon his previous attitude and to return to the basis of the 1924 draft. After three months' detailed negotiation the Agreements were concluded on April 18th, 1930. Generally speaking we took the substance, and in most cases the wording, of the articles of the 1924 draft and recast them, to meet Chinese susceptibilities, into two instruments, a Convention for the Rendition of Weihaiwei, and an Agreement for the loan of naval facilities on the Island of Liukungtao. The main bone of contention now as in 1924 was the duration of the latter. The terms we finally secured were a period of ten years 'with the option of renewal on the same terms by agreement or on such other terms as may be agreed upon between the two Governments'. I trust I shall not have the task of interpreting the precise meaning of this phrase in 1940, but I am convinced that it represents the best terms we could obtain.

43. As regards the rest of the settlement, we cut out, very rightly in my opinion, a lot of unnecessary detail about the arrangements to be made on the mainland, including the elaborate provisions for a Sino-British municipality. We have undoubtedly in the past been apt to attach a fictitious value to municipal privileges in the smaller ports in China, and we nowadays see British subjects residing in many parts of the country (outside the restricted foreign controlled areas at Shanghai, Tientsin, Canton and Kulangsu) under Chinese municipal or local administrations without friction or inconvenience. In actual fact it was discovered when we went into the matter that there might in the winter months be only two or three British residents at Weihaiwei available to participate in any municipal arrangements.

44. The agreements came into force and the Leased Territory was actually rendited with due ceremonial on October 1st, 1930. I am glad to say that the gloomy forebodings of interested parties have to date been stultified by events and that the agreements have worked with complete success, both as regards the naval facilities and as regards the mainland arrangements. This I was able to verify as late as last July, when I visited Weihaiwei as the guest of the Commander-in-Chief.

45. The Indemnity negotiations were also resumed in January 1930, and, after some months of further negotiation, the agreement was concluded, in the form of an Exchange of Notes, on September 19th. As in the case of the Weihaiwei negotiations, we were able (largely owing to our close and excellent relations with the Chinese Government) to get practically all that we wanted; and the agreement as finally concluded in 1930 was in fact a more satisfactory one than

the draft so nearly signed in 1929. The moral, therefore, to be drawn from the course of these negotiations with Nationalist China is that it is better not to seek to rush matters, that an occasional and prolonged pause may be advantageous, and that one's objective is best reached by the exercise of patience.

46. The terms embodied in the Indemnity Agreement of 1930 were based upon the decision reached by His Majesty's Government in the United Kingdom in 1929 to hand over the funds to the control of the Chinese Government on the understanding that they should be applied in general conformity with the recommendations of the 1925 Advisory Committee. To this there had been added, on my suggestion, a proviso that all orders for materials purchased abroad out of these funds should be placed in the United Kingdom. Subject to this proviso, the essence of the proposals of His Majesty's Government was the remission of the funds to the full control of the Chinese Government, who were to be placed on trust as regards their expenditure in general conformity with the Committee's recommendations. The eventual settlement which we worked out on these lines provided, on the one hand, for a relatively tight control over the funds (the accumulated portion amounting to several millions of pounds sterling and half all future instalments) to be spent on the purchase of materials in London, and on the other hand, for the handing over of the remainder to the control of the Chinese Government on the understanding that it also would be generally expended on railway construction and rehabilitation and other public works in the form of loans to such enterprises the interest on which would serve an Educational Endowment Fund. So anxious were His Majesty's Government to keep to the principle of the remission of these funds to the full control of China that they did not even desire any mention to be made in the Agreement of a Board of Trustees for the control and administration of the funds, provision for which was however readily made by Doctor Wang on my suggestion.

47. The arrangements come to under the Indemnity Agreement of 1930 have worked well and smoothly. But there is at times a tendency to criticise their laxness so far as concerns the position of the Board of Trustees and the Educational Endowment Fund in China, and it is therefore important, in meeting these criticisms and shaping our attitude towards the execution of the agreement in the future, to bear the above considerations in mind and to beware of being deflected from the deliberate policy of non-interference with the half of the funds in China which served as the basis for that side of the agreement. The principles by which His Majesty's Government were guided in their decision to hand over the Indemnity funds to the full control of China are clearly set forth in the introduction to the papers covering the Exchange of Notes as presented to Parliament in White Paper No. 3 of 1930.²

48. I was also able to secure, more or less accidentally in connection with the Indemnity Settlement, a personal written assurance from Doctor Wang that the Wanh sien Affair would be allowed to sink into oblivion and would not be reopened by him personally as Minister for Foreign Affairs. The unfortunate naval engagement at Wanh sien in October 1926, just before my arrival in China, had had all the undesirable results of a resort to force in circumstances which prevented the successful attainment of a limited objective, including, apart from our own losses, considerable destruction of Chinese civilian life and property, without the Chinese military concerned being adequately chastised, and the creation of anti-British

² Cf. No. 45, note 1.

feeling manifesting itself in a local boycott of British commercial interests which continues to this day. I had already, under the instructions of His Majesty's Government, at an early stage in the Indemnity negotiations sounded certain members of the Chinese Government as to the possibilities of reaching a settlement of the Wanh sien affair out of Indemnity funds, but had met with little response. Whether in connection with these soundings or under pressure from the hotheads of the Government, Doctor Wang on May 1st, 1930, presented me with a memorandum, seeking to reopen the Shakee and Wanh sien affairs of 1925 and 1926 and putting forward preposterous claims for compensation on that account. Without being definitely authorised to connect the two issues I was able in the final stages of the Indemnity negotiations to induce Doctor Wang to withdraw his memorandum and to give me the assurance above referred to. It now only remains, so far as I can see, to live down the Wanh sien incident; and given a certain degree of patience I believe this to be possible.

49. Negotiations for the rendition of the moribund British Concession at Amoy were opened in April and concluded on September 17th, 1930, when notes were exchanged providing, on the Chinkiang model, for the issue of Chinese deeds of perpetual lease in exchange for the British Crown Leases and for the cancellation of the somewhat doubtful agreement of 1852 which constituted our title to the Concession. The arrangements in question have since been successfully carried out, and we may, I think, congratulate ourselves on being well rid, without prejudice to our vested interests, of a useless and often embarrassing possession in China.

50. There was also some improvement to record in 1930 in the situation at Shanghai and a certain relaxation in the tension of the local atmosphere, no doubt reflecting to some degree the steady improvement in Sino-British relations generally. The future of the British Defence Force had been settled for the time being by its reduction to two battalions. Judge Feetham had arrived in January and the fact that he was engaged in his investigations throughout the year exercised a calming influence on the feelings of the foreign community. A proposal to increase the number of Chinese members on the Council of the International Settlement from three to five, after being foolishly rejected at a meeting of ratepayers under the influence of a diehard British lawyer, was subsequently passed at a special meeting, thus disposing of this issue for the moment. The successful conclusion of the Shanghai Court Agreement in February, 1930, has already been referred to. Another long standing source of trouble was happily removed by the arrangement, also reached after lengthy negotiations in February, for assuaging the bitter memories of the incident of May 30th, 1925, by the payment by the Council of the Settlement of \$150,000 as a compassionate grant to the families of the Chinese victims in full settlement of all their claims. Although no progress was made towards finding a solution of the extra-Settlement roads controversy, the Chinese drive against the foreign control of the Settlement seemed to be easing up. As in the previous year, I made a point of keeping in close touch with responsible local British opinion by regular meetings with the leading members of the British community during my visits to Shanghai.

51. As regards Extraterritoriality, while nothing definite was accomplished during the year 1930, China and the Powers got closer to grips on this all-important issue. The close of the year 1929 had found His Majesty's Government definitely committed to negotiations for the gradual abrogation of British extraterritorial rights in China, while the Chinese Government had decreed the complete

abolition in principle of extraterritoriality as regards all the foreign Powers, at the same time indicating their readiness to negotiate on the subject. The situation was therefore of considerable delicacy if a conflict was to be avoided. On January 10th, 1930, the Minister for Foreign Affairs handed me an outline of the proposals of his Government, which merely provided that British subjects should be liable to Chinese laws and the jurisdiction of the Chinese Courts for which purpose special chambers with foreign legal advisors would be set up at Canton, Hankow, Shanghai, Tientsin and Harbin. On February 3rd I handed in the counter-proposals of His Majesty's Government providing, also in the barest outline, for the gradual transfer of jurisdiction in the general order of civil, criminal and personal status cases, subject to additional safeguards including foreign co-judges. It subsequently transpired, however, that the Americans had already cut the ground from under our feet by putting forward at Washington on January 23rd proposals which made no mention of foreign co-judges or of the reservation of criminal jurisdiction. The prospects of our securing these major safeguards were in any case practically nil; but any chances there may have been were destroyed by the State Department's action.

52. I was able, owing to my close and intimate relations with my United States Colleague, to repair this unfortunate breach in the united front of ourselves and the Americans and from this point on we carried on our respective negotiations in the closest collaboration. The civil war between Nanking and the North during the Spring and Summer afforded us a useful breathing space for the discussion and formulation of common plans, of which we kept the other interested Powers fully informed. The result was that, when the negotiations were resumed in the Autumn, I was able to present to the Minister for Foreign Affairs on September 11th, 1930, a detailed draft Treaty which was also communicated, with verbal alterations, a month later by the State Department to the Chinese Minister in Washington. On December 1st Doctor Wang handed me the detailed counter-draft of the Chinese Government, a similar document being presented a week later to the State Department in Washington. The two drafts, ours and the Chinese, were of course poles apart as regards the inclusion in the one and the omission from the other of what were in our view essential or desirable safeguards. But the end of the year 1930 thus saw the stage definitely set for the actual negotiation of a Treaty for the abolition of British extraterritorial rights in China. This state of affairs marked a surprisingly rapid advance from the position we had occupied at the time of the despatch in August 1929 of our long note to the Chinese Government justifying the extraterritorial Treaty Port system. But His Majesty's Government were pursuing a policy of realism in Chinese affairs, and they had laid down for their guidance and for mine the principle that the retention of British extraterritorial rights in China depended in the last resort, not so much on the strict merits of the case, as on the extent to which the Chinese Government became sufficiently stabilised to insist on their abolition.

53. One very troublesome result of the civil war of 1930 was the seizure by Yen Hsi-shan of the Tientsin Customs, with the assistance of Mr. Lenox Simpson ('Putnam Weale'). The incident liquidated itself when the Northern rebellion collapsed and the Inspectorate-General were able to resume control over the Northern ports; while the problem of the disposal of Mr. Simpson was solved in melancholy fashion when he lost his life at the hands of an assassin shortly after at Tientsin, thus suffering the extreme penalty which Fate has on occasion meted out to other foreigners who were unwise enough to enter the arena of Chinese internal

political strife. One of the chief features of the case was the refusal of the Chinese Government, acting through their strong-minded Minister of Finance, to agree to any form of compromise with the rebel authorities as regards the collection and disposal of the Tientsin Customs revenues, an attitude which, justified in this case by the results, constituted a possibly unfortunate precedent in the far more serious issue concerning the Manchurian ports which was to follow two years later. For my part I adopted in these and similar cases the attitude that the maintenance intact of the Customs Administration was more important than the disposal of the revenues and that it was always politic to give due consideration to any compromise which would maintain the former even at the expense of the latter.

54. During the early summer of 1930 the distinguished Central Asian archaeologist, Sir Aurel Stein, visited Nanking in the hope of securing permission to carry out a final expedition in Chinese Turkestan. I was able, by the use of all my influence with the leaders of the Administration, to secure the necessary passports. But the permission of the National Government was only granted with reluctance and qualification; and it is regrettable to have to record that Sir Aurel on proceeding later on to Sinkiang, found it impossible, on account of local obstruction, to carry out his programme and had to abandon his expedition. Times have changed for explorers and research workers as for all other foreign activities in China. And, foolish as the modern attitude of Young China towards these matters may be, there is no getting over the fact that it is largely due to the past activities and writings of the foreign travellers and scientists themselves. The exploits and books of Sir Aurel Stein are unfortunately only too well known, including more especially his own story of the removal of the priceless manuscripts and other articles from Tunhwang and of the manner in which he acquired these treasures from the priest in charge. The argument that these relics of China's bygone [*sic*] civilisation would very likely, had they not been removed to foreign museums by Sir Aurel and other travellers, [have] been left to moulder where they lay, falls on deaf ears, and no amount of persuasion, remonstrance or denunciation can move the indignant young curators of China's archaeological interests from the standpoint they have taken up.

55. The long delayed Hongkong China Customs Agreement was at length in 1930 successfully negotiated between the Hongkong Government and the Chinese Customs authorities. The National Government refused, however, to proceed to its conclusion owing to the opposition of vested interests at Canton. As a result of the big increases in the Chinese Import Tariff since the Treaties of 1928, the smuggling of foreign goods from Hong Kong to the mainland of Kuangtung had assumed the proportions of a regular trade, to the prejudice of China's Customs revenues, the interests of legitimate commerce and good relations between the Colony and Canton. The proposed agreement, providing for the necessary co-operation between the Hong Kong authorities and the Chinese Maritime Customs, was admittedly the only way of dealing with the evil. I did all I could on several occasions to persuade the National Government to authorise the signature of the agreement. The Minister of Finance was himself in favour of it, but he told me quite frankly that nothing could be done for the time being owing to the opposition of certain highly placed individuals at Canton, who had a personal interest in the contraband traffic. From a talk which I have had during the past few days with Sir Frederick Maze here in Peitaiho I understand the position is now worse than ever.

56. At the close of 1930 it was possible in spite of all the vicissitudes of the year, to record a definite improvement in the situation of the Nanking Government. In fact looking back one could discern a steady upward tendency in the seesaw curve of stability of government ever since the establishment of the Nanking Administration in 1927. Now at the close of 1930 Chiang Kai-shek and the National Government, even if dependent on their alliance with Chang Hsüeh-liang in the North and Ch'en Chi-t'ang in the South, still ruled over a nominally united country, with no major political enemies in the field against them. And, apart from the communists, there seemed to be some hope that Party and factional strife in the future might as in more normal countries manifest itself in political rather than military activities.

57. China's political history during 1931 followed its usual up and down course until the clash with Japan in September introduced a new factor which has dominated the situation, both internally and externally, ever since. The year opened with the prospects of stabilisation of government better than they had been for some time past, and during the first two months Chiang Kai-shek was occupied in long overdue measures for dealing with the communists in Central China. Then came the arrest on February 28th of Hu Han-min, the climax to the friction which had long been developing between the military and political 'bosses' of the Party, followed by the Cantonese secession movement which developed into the establishment of a rival government at Canton. Nevertheless the Nanking faction proceeded with their plans for the holding in May of the People's Convention, which was obviously designed to strengthen the position of the leaders in control of the Government. The Canton movement remained in a curiously static condition during the summer, and Shih Yu-san's sympathetic rising in the North, having failed to call forth a single supporter amongst the doubtful elements throughout the country, was easily and promptly suppressed by Chang Hsüeh-liang's forces in Hopei in co-operation with the Nanking troops in Honan. Meanwhile Chiang Kai-shek and the National Government professed—probably with reason—to discount the split with Canton as the work of disgruntled politicians, insisting that it was a purely political issue to be resolved by pacific means, and continued to concentrate their attention on the campaign against the Communists. In the early Autumn, however, the Cantonese were beginning to advertise another 'anti-North expedition', when the Mukden incident of September 18th, and the subsequent action of the Japanese army in Manchuria, put an end to further talk of war between Canton and Nanking, and resulted in the nominal re-unification of the country. In December a student agitation, resembling that of 1919, and similarly provoked by the action of Japan, led [led] to a Government crisis and the disappearance of Doctor C. T. Wang who, as Minister for Foreign Affairs since 1928, had conducted the vigorous and largely successful campaign of Treaty revision. The eventual outcome, after a brief interlude when a Cantonese controlled administration was in office, was the reorganisation of the National Government along its present lines, including Lin Sen as titular President, Chiang Kai-shek as Commander-in-Chief, Wang Ching-wei as head of the Executive Yuan and therefore of the actual administration, and Lo Wen-kan as Minister for Foreign Affairs. These changes actually left the position much as it had been before, with Chiang Kai-shek still in control, screened by Wang Ching-wei in the place of his rival Hu Han-min. The history of the Kuomintang, and therefore to no small extent of China, since the death of Sun Yat-sen had been that of the rivalries and struggles for power and leadership between these three men.

58. During the first two months of the year I was engaged in my visit to Singapore, whither I had proceeded for the purpose of discussing with the Governments of Malaya the difficulties which had arisen in connection with the proscription the year before of the Kuomintang in the Colony and Federated Malay Straits. This question had become an acute and difficult one. On the one hand, one had every sympathy with the views of the local governments, namely that the Kuomintang constituted a dangerous *imperium in imperio* in Malaya and could not with safety to the State be allowed to develop its organisation there; while, on the other hand, the proscribing in Malaya as an illegal society of the Kuomintang, the ruling Party in China which gave birth to and controlled the National Government, so that its members were liable to be treated as criminals in the Colony, naturally led to embarrassing protests at Nanking and constituted a serious point of friction in Sino-British relations.

59. I discussed these difficulties very fully with the Malayan authorities at a series of conferences at Singapore, with the result that we were able to formulate a definite policy for a solution. I was consequently in a position, on my arrival at Nanking in March, to open negotiations with the Minister for Foreign Affairs on the subject. Agreement was finally reached in an exchange of letters dated April 1st, 1931, under which Doctor Wang gave assurances against improper activities on the part of the Kuomintang in Malaya and undertook that Party Offices would not be established there, in return for which I stated that the Malayan Governments would in that case so amend their legislation as to provide that a society (such as the Kuomintang), if not actually organised in the Colony, would not be illegal there.

60. Doctor Wang was later on subjected to violent criticism in China on account of this agreement, and there is reason to believe that its terms were not strictly adhered to by the Chinese side and that secret attempts to organise the Kuomintang in Malaya have from time to time continued to be made. Nevertheless the conclusion of the agreement marked the end of friction between His Majesty's Government and the National Government of China on account of this question. I was indeed under no illusion as to the extent to which the agreement would be kept by the partisans of the *Tang* in China, but I felt that, by concluding a settlement on some such lines, we should place ourselves on a good wicket, justify and give the sanction of international agreement to any direct action the Malayan authorities might have to take against the local Kuomintang on account of a breach of the agreement, and thus spike the guns of the would-be protest makers in Nanking. In the result this is what has happened, and, thanks also to the elimination of Hu Ham[Han]-min and a certain waning in the influence and prestige of the Kuomintang generally, the question of the *Tang* in Malaya has, as between the Wai Chiao Pu and His Majesty's Legation in China, been completely quiescent during the past two years.

61. The extraterritoriality negotiations dominated all other questions in the field of China's foreign relations during 1931—down to the time of the clash with Japan in September. My visit to Singapore at the beginning of the year afforded a useful breathing space during which His Majesty's Government were able to complete their final study of the situation; and it was not until March 1st that I arrived in Nanking for the opening of the detailed negotiations on the basis of our draft Treaty and the Chinese counter-draft. At the same time I received my final instructions, which were to the effect that the major safeguards, evocation, foreign co-judges, and reservation of criminal jurisdiction, were to be progressively

abandoned in return for satisfaction on all other points, including adequate arrangements in regard to the functions of the legal advisors and safeguards in connection with the operation of the Chinese Courts, bail, imprisonment, taxation, titles to real property, expropriation, domiciliary visits, shipping, rights of companies, discrimination, *et cetera*, including in the last resort the exclusion of the International Settlement at Shanghai as the minimum vital necessity in that respect.

62. The detailed negotiations continued practically without intermission for three months. In May the People's Convention intervened and precipitated a crisis when the National Government, for the second time, abolished extra-territoriality by issuing a Mandate which promulgated regulations, to come into force on January 1st, 1932, governing the exercise of jurisdiction over all foreign nationals in China. In this further attempt to abrogate unilaterally foreign extra-territorial rights the Chinese Government were clearly playing to their own gallery and seeking to force the hands of the Powers. His Majesty's Government remained, however, determined to avoid a breach if it could be avoided and the negotiations were continued in the hope of reaching a settlement before the end of the year.

63. By the beginning of June the negotiations had in fact been brought as far as they could be taken without further and final consideration by His Majesty's Government of the results obtained. Meanwhile it was by this time, in view of the complications developing in the internal political situation, becoming increasingly desirable that the negotiations should be wound up as soon as possible and that some means should be found of recording, without undue commitment, the results so far obtained. In these circumstances it was finally decided, on the initiative of the Minister for Foreign Affairs, that copies of the draft Treaty and attached documents should be exchanged between myself and His Excellency in covering letters stating that the texts were being referred to our respective governments.

64. The draft settlement thus reached after two years' preliminary and three months' intensive negotiation contained none of the major safeguards (evocation, foreign co-judges, and reservation of criminal jurisdiction) which His Majesty's Government had originally proposed to seek; but on the other hand it embodied practically all the minor points of detail concerning the administration of justice for which we had deemed it desirable to press. The Treaty was in fact complete and satisfactory, so far as paper safeguards, guarantees and assurances could go. The one doubtful and debatable point, with which neither Government was wholly satisfied, was the provision for the reservation for a maximum period of ten years of the Shanghai area.

65. The question of the reservation for a (preferably indefinite) period of time of certain of the more important Treaty port areas had been one of the principal threads of discussion throughout the negotiations. Under my original instructions our maximum demand had been the reservation of the Shanghai, Tientsin, Canton and Hankow Treaty Port areas, and our minimum requirement that of the International Settlement at Shanghai. The results secured in the provisionally agreed draft of June 5th, 1931, namely the reservation of the British municipal area at Tientsin for a period of five and of the area of Greater Shanghai for a maximum period of ten years, represented, there is no shadow of doubt, the best terms obtainable at that time from the Minister for Foreign Affairs, who at the last moment intimated that it was doubtful whether his government would be able to go even as far as this. On our side, granted the principle that His Majesty's Government were not prepared to insist by force on the retention of extraterri-

toriality in Chinese controlled territory (and I had been so specifically instructed), we had been brought increasingly to realise that we should accomplish little by standing on our rights in the International Settlement and barricading ourselves and our extraterritorial privileges within its narrow confines. I therefore worked increasingly for the inclusion in whatever area was to be reserved of the whole neighbourhood of Shanghai in which British residential, commercial and industrial interests were established. This we were able to accomplish by securing an area embracing the whole port and its neighbourhood, including Woosung at the mouth of the river, and reaching into the surrounding country far beyond the furthest foreign residence or industrial establishment. His Majesty's Government were thus faced with the final choice, if an agreed settlement was to be negotiated at all, of accepting the reservation of this area for a period of ten years or falling back on the maintenance for an indefinite period of the *status quo* in the International Settlement, provision being made in the draft Treaty for the retention by British subjects of extraterritorial rights in any areas where the nationals of other Powers retained such rights. In the result, other events, as we have seen, intervened and no final decision had to be made. On the whole it was probably as well.

66. In the meantime, almost simultaneously with the winding up of the extraterritoriality negotiations, Judge Feetham, who had been carrying on his investigations at Shanghai for a year and a half, presented his Report, a bulky document in three volumes (a fourth was published later), in which he expressed the view that the International Settlement could not exist without extraterritoriality and that its rendition should not be contemplated until the idea of the 'Rule of Law' (based on Anglo-Saxon models) had taken root in China and been embodied in an effective form in the institutions of the country, which, in his opinion, was a question not of years, but of decades. This somewhat acute conflict between the legal aphorisms of Mr. Justice Feetham and the policy of realism and expediency pursued by His Majesty's Government naturally stirred up a hornet's nest at Shanghai, the more so as the leaders of the British community had been kept fully informed of every step in our extraterritoriality negotiations, the probable results of which they had been prepared, if reluctantly, to accept as the best of a choice of evils.

67. There the matter of extraterritoriality rested during the Summer of 1931, and when the Autumn came all concerned had other matters to occupy their attention. It only remained to ensure that the Chinese Government did not take any foolish step in connection with their Mandate abrogating extraterritoriality as from January 1st, 1932. This I was able to do, making use, *inter alia*, of the argument that China might find it awkward, in view of her appeals in her conflict with Japan to International Law and the Covenant of the League of Nations, if she was called before the League on account of the unilateral abrogation of foreign Treaty rights. On December 29th, 1931, a further Mandate was issued postponing the enforcement of the Regulations of May 4th. For our part His Majesty's Government took up the attitude that by winding up the negotiations in June 1931 they had secured a strong tactical position from which to face any new situation that might arise, but that they considered that they had carried the negotiations to the furthest possible point and that the whole question would now have to remain in abeyance until the negotiations of the other Powers had made similar progress and until there seemed some probability that China would be able to implement any Treaty that might result.

68. Thus was brought to an end, by the fortuitous intervention of other events, the story of the National Government's campaign for the abolition of foreign extraterritorial rights, the citadel of the 'Unequal Treaties'. For two or three years they marched from one success to another; and, widening the already existing breach in the foreign front caused by the loss of the extraterritorial rights of Russians, Germans, Austrians and other Central Europeans, they brought Belgium, Denmark, Spain, Portugal, Italy, Mexico, and later Norway and the Netherlands, to agree unconditionally to give up extraterritoriality as soon as the remaining Powers did so. For practical purposes, only Great Britain, the United States, France, and Japan remained, and still remain, to be accounted for. So far as one can humanly foresee the future in the Far East, the breathing space we now enjoy is likely to be but a temporary interlude, but in China such interludes have a way of continuing for indefinite periods. We are undoubtedly in a strong position against the time, if and when it arrives, for a resumption of the negotiations. Judging by our previous experience such a pause may not be without advantage; and it is possible that when the question has again to be taken up we may be able, with the assistance of the American Government, to improve on the terms so far obtained in regard to the reserved areas.

69. Throughout the Summer of 1931 I was engaged in pressing the Chinese Government for satisfaction over the Thorburn affair, one of the most difficult and unsavoury cases I have ever had to handle. This unfortunate youth, bred and grown up in the atmosphere of Shanghai, brought his fate upon himself by shooting and killing two Chinese soldiers patrolling the Shanghai-Nanking railway line in time of martial law. This fact did not excuse or palliate his subsequent murder or the short-sighted folly of the responsible personages in the Chinese Government who for months lied stoutly and denied all knowledge of his fate. John Thorburn had disappeared on May 31st. It was not until towards the end of October that, as the result of strong and sustained pressure on the Chinese Government, I was able to secure an admission of the crime, apology, punishment of the guilty party, and due warning to other military authorities. Later on I was successful in obtaining some compensation privately from the Chinese Government for Thorburn's father, without provoking counter-claims from the Chinese side on account of the Chinese soldiers shot by his son.

70. The Thorburn case and the brutalities attending his arrest, detention and murder were freely made use of by interested foreign propagandists in connection with the negotiations for the abolition of extraterritoriality; and in the Far East at any rate his name became a household word and his fate the classic example of what would befall foreigners if they were deprived of their Treaty rights. Unfortunately—as I pointed out at the time—extraterritorial rights did not save Thorburn and their existence or otherwise had not the slightest effect on the case. When the Chinese military first seized Thorburn they had some reason for believing him to be a Russian communist desperado or a lunatic. When they learned that they had caused a diplomatic incident with Great Britain by doing away with a British subject, they sought to conceal their deed. Had extraterritoriality not existed, we should have pressed with equal vigour for the discovery of young Thorburn and for his proper trial by the competent Chinese Court. On the other hand, if the Chinese authorities had done the correct thing and handed the unfortunate lad over to the British authorities, a British judge and jury would have had the unpleasant duty of trying him for murder, unless he could have been shown to be insane.

71. Together with the extraterritoriality issue, the affairs of Shanghai appeared to be approaching a climax in 1931 and the effect created by the appearance at this moment of Mr. Justice Feetham's report has already been referred to in an earlier paragraph. No one can question Mr. Feetham's ability and sincerity of purpose and no praise can be too high for his painstaking and detailed analysis of the history and present circumstances of the administration of the International Settlement, which will no doubt prove of great value as a repository of historical fact. But, as regards his conclusions and proposals, I am not sure that his recommendations for the future might not have had more practical and constructive value had they been formulated with more elasticity of outlook and with more regard to the Chinese political background of the problem; seeing that, for better or for worse, the future of Shanghai is unlikely to be decided on its strictly legal merits. Nor do I think that Judge Feetham was doing any real service to the foreign community of Shanghai by encouraging them to think that they are masters of their own fate, which must in actual fact rest, not with the heterogeneous foreign population of the International Settlement, but with the Governments of China, Great Britain, the United States and Japan.

72. Meanwhile the friction over the perennial question of the Outside Roads continued during 1931 to cause trouble and anxiety, and the situation reached a point where the Council, or rather its British Chairman, found it necessary to enquire whether they could rely on the support of His Majesty's Government in forcibly resisting Chinese encroachments on the municipal roads in the extra-Settlement areas. I was instructed to reply that, while His Majesty's Government were prepared to support the Council in their rights under the Land Regulations to maintain the roads pending a settlement by negotiation and compromise, the question primarily concerned all the interested Powers, that the Council must assume responsibility for any action taken to assert their rights, and that it was highly improbable that His Majesty's Government would use force for the maintenance of a contested privilege of this nature.

73. We are rightly proud of the fact that Shanghai is largely the creation of British energy and enterprise and we have from its earliest days taken the lead in the administration and protection of the Settlement. But the British interests concerned must bear in mind that no useful purpose can be served by closing one's eyes to the weakness of the position caused by its international basis. Most of the States of Europe and America are represented amongst the foreign community of Shanghai. Of the Governments concerned many have no longer any special Treaty rights in China and others are not in a position to lend any material aid. In fact, as mentioned above, only the Governments of Great Britain, the United States and Japan (and France who have their own separate concession) have any real responsibility; and the difficulty of maintaining a common front is only realised when concrete issues arise and we find, on the one hand, that the American Government insist on limiting the action of their armed forces to the protection of American life and property within Settlement limits, while the Japanese Government regard the Shanghai question as part and parcel of Japanese policy in China, with all the implications which that policy involves.

74. For our part we are being brought more and more to realise that British interests at Shanghai have long outgrown the narrow confines of the International Settlement and that we must, whether we like it or not, envisage the problem in terms of Greater Shanghai and therefore boldly face the fact that we shall have to work out some scheme for the future based not so much on the Treaty position of

the International Settlement but rather on the development of a wide-spread Sino-foreign city on Chinese soil. In this, as in other similar issues, there is a certain conflict of interest between local vested British interests and the larger interests of British trade as a whole, and if the former have unfortunately to be weighted against the latter, there can hardly be any question as to their relative value and importance.

75. A temporary compromise of the Outside Roads dispute was eventually reached in 1931. The trouble between China and Japan, which then ensued, resulted in this question, as in the case of other pending issues, being put on the shelf. A year or two later, when the Chinese, after the Sino-Japanese clash at Shanghai, were in a more amenable frame of mind, the Council of the International Settlement were successful in negotiating with the local Chinese authorities a satisfactory compromise agreement, providing for a special Chinese police force to control the extra-Settlement areas; the conclusion of this agreement was, however, prevented and is still held up at the moment of writing by the obstruction of the Japanese.

76. The troubles of the Summer of 1931 were increased by the disastrous floods in the Yangtze Valley, which resulted in huge areas of country and many cities, including Hankow, being completely inundated for weeks on end. At the same time important sections of the Middle River, and especially the notorious Red Lake district between Hankow and Shasi, were still in the occupation of the communist forces, with whom His Majesty's Ships were constantly engaged. From the time, however, when Chiang Kai-shek, relieved of the pre-occupation of civil war, was able to turn his attention more seriously to the suppression of the Communists, definite progress was made, and when I visited the Yangtze two years later I found the river safe and peaceful from Hankow to Chungking.

77. The Affairs of the Eastern Extension Telegraph Company, and of their associates in China the (Danish) Great Northern Telegraph Company, have bulked large in the work of His Majesty's Legation for many years past, while an already difficult position was further complicated by the international controversy concerning China's wireless communications which arose after the War. At the end of 1931 preliminary agreements were at last reached by the foreign submarine cable companies with the Chinese Government after negotiations which had been going on for years. Owing to difficulties over the position of the Japanese, the final agreements were not actually signed until two years later, but the conclusion of the preliminary agreements marked the settlement in principle of this long outstanding controversy. The main points at issue concerned the arrangements for the exchange of traffic with the Chinese telegraph system, cable landing privileges for the companies, and the position of the companies as regards their offices on shore. For years the companies had been seeking, with, so far as the Eastern Extension Company were concerned, the constant support and assistance of His Majesty's Legation, to negotiate in good time new agreements to replace those which were due to expire in 1930; but the Chinese Government even in those days were unwilling to renew rights which they had been brought to regard as a part of the 'Unequal Treaty' system. After the companies had failed to establish their doubtful claim to perpetuity of landing rights, they found themselves left, with expiring agreements, face to face with the new National Government of China. In these circumstances the cable companies wisely changed their ground, accepted new landing licences for a fixed period, surrendered their independent shore stations and offices, and made a purely business arrangement

with the Chinese Government, who thus (except for the question of the Japanese Telegraph Office at Shanghai which is still outstanding) recovered full control over their external cable connections.

78. The vexed question of China's cable and wireless communications, which gave rise to so much argument, correspondence and international friction during the years immediately following the Great War, has thus solved itself by the lapse of time and by the action of the Chinese in themselves establishing their own wireless stations and making their own terms with the foreign cable interests concerned. I have no doubt that, taking the long view, this is the best thing that could happen and that in this as in other matters British interests are in the long run best served by China being mistress of her own affairs.

79. Before passing to the final phase, the last two years of acute Sino-Japanese conflict, of my mission in China, I will review briefly the changes and developments brought about in other aspects of Sino-foreign relations during the period of the Chinese drive against the foreigners' special rights and privileges which reached its high water mark in the Summer of 1931.

80. The direction of the Customs Administration had passed through dangerous vicissitudes during these years, especially at the time of Sir Francis Aglen's dismissal by the moribund Northern Government on account of his efforts to get on terms with the Southern revolutionary authorities at Hankow in 1927. I threw my weight behind Mr. Edwardes, who had the approval of His Majesty's Government and the recommendation of Sir Francis Aglen, as the approved British candidate for the post of Inspector-General. Nevertheless, with the disappearance of the old Peking Government and the establishment of the new National Government, we failed to secure the appointment for Mr. Edwardes and were eventually constrained to acquiesce in that of Mr. (now Sir Frederick) Maze. The whole episode was extremely distasteful, in view of the personal element which entered into the controversy in connection with Messrs Edwardes and Maze and their relations with one another, with their service, with the Chinese authorities and with the British community. The times were stormy, British policy was being strongly criticised by British interests in China, and Mr. Maze, rightly or wrongly, was believed to be seeking Chinese favours and to be unduly yielding to Chinese authority. Be that as it may, while I did my utmost to obtain the appointment for Mr. Edwardes, I realised that he was by no means temperamentally the ideal candidate for the post; and I am afraid that it was largely his own fault that he did not secure it. It must also, I think, be recognised that Sir Frederick Maze has done as well, and perhaps better, than could have been expected in very difficult circumstances, including the adjustment of the conditions of the Service to the new outlook involved in the policy of His Majesty's Government that the future of China can no longer be developed under foreign tutelage.

81. In any case the Chinese Maritime Customs Service is now set upon its inevitable course of 'sinification'. Sir Frederick Maze, unlike his predecessors, who occupied unique and largely independent positions, is first and last the servant of the Chinese Government; and minor Customs questions, which could formerly be dealt with by His Majesty's Legation direct with the Inspector-General, have now in most cases to be taken up with the Wai Chiao Pu or other competent department of the Government. Chinese are beginning to be appointed to the higher grades, including that of Commissioner; and foreign recruiting for the indoor staff of the service has ceased, at any rate for the time being. Yet it must be admitted that Sir Frederick Maze has been notably successful (no doubt aided by

the Japanese crisis which has so signally relieved the Chinese pressure in all other Sino-foreign issues) in preserving in these circumstances the prestige and authority of the foreign element in the Service and in maintaining its traditional efficiency. He has even been successful in retaining the somewhat precarious hold of the Customs on the administration of China's harbours and aids to navigation, a point of immense importance to the foreign shipping interests concerned.

82. It need hardly be added that, with these changes in the Inspectorate-General of Customs and the arrival of Tariff Autonomy, China has re-asserted her full control over the Customs revenues. Indeed it now seems strange to recall that up to a few years ago the disposal of the 'Customs surplus' was a matter for discussion at routine intervals amongst the representatives of the interested Powers and their banks and the Inspector-General of Customs and that the foreign custodianship arrangements, instituted as a temporary measure in 1912 to meet the crisis of the Revolution, were still in force at the time of the Tariff Conference and my arrival in China in 1926.

83. The Postal and Salt Administrations have naturally followed, but more rapidly, along the same course as the Customs. With the Post Office, as a French interest, I have had no concern. The foreign co-Director, formerly always of French nationality, and more recently for a short time a Norwegian, has now disappeared and the Service is to all intents and purposes under Chinese direction, with the assistance of its few remaining foreign members still serving as Postal Commissioners and in other higher grades. The efficiency of the Service is believed to have deteriorated, but the administration functions and mails appear seldom to go astray.

84. As regards the Salt Administration, it is sad to reflect that this Service, created in 1913 by Sir Richard Dane and later so ably administered in the face of ever increasing difficulties by his British successors, is now directed by an American. Yet the recent history of the Salt Gabelle is not without its moral. During the last years of the Peking Government it seemed, in spite of the incessant stream of protests from the interested foreign Governments, as though the Administration was on the verge of complete collapse and that its funds would be insufficient to maintain even the framework of the Inspectorate. When the new National Government came into power it proceeded to tear up many of the provisions of the Loan Agreement designed for the safe keeping of the Salt revenues, to take direct control of these funds, and to assume independent responsibility for loan payments. His Majesty's Government, in pursuance of their policy, acquiesced in these developments, the results of which have been by no means wholly unsatisfactory. In fact it can, I think, be claimed that the new policy of leaving the Chinese Government to carry out their obligations in their own way works, if none too well, at least better than the old one of seeking to enforce the foreign safeguards and foreign control provided for in the Loan Agreement. Moreover, it cannot be denied that the custodianship of the Salt revenues by the Group Banks was at times abused by some of the parties, other than ourselves, to the Loan Agreement.

85. The plight to which the railways had been reduced by years of civil war when I arrived in China at the end of 1926 was deplorable. Except for brief intervals, hardly one of the main lines in the country was running and the journey from Peking to Nanking took from five to seven days by steamer. China is the land of inconsequences, and one would have expected the damage to permanent ways, bridges and rolling stock to have been such as to put the railways completely out of action for many years. Actually, as the tide of civil war receded, the lines

were put into running order surprisingly soon and for the past year or two reliable and reasonably comfortable train services, judged by Chinese standards, have been maintained on all the railways.

86. As in other spheres of Sino-foreign activities the Chinese railway authorities have gradually eaten into the safeguards provided in the old Loan Agreements for the custody of the revenues and the efficient administration of the lines. At the same time the sums in default on some of the loans and on account of materials supplied have grown to alarming proportions. The extent to which these developments represent cause and effect may be a matter of opinion. But it is only fair to record that in the two worst cases, the Tientsin-Pukou and Canton-Kowloon Railways, the former line was for years the main scene, or rather, artery, of major civil wars, while the latter has never, owing to the continued absence of any connection with the interior, been in a position to pay its way.

87. The railway debts and loan defaults have formed the subject of continuous representations during the seven years I have been in charge in China. In some cases, where the railways in question have been less affected by civil wars, a measure of success (as in the case of the Peking-Mukden line) has attended these unrelenting efforts on the part of His Majesty's Legation. In others, as in the case of the Tientsin-Pukou line, the situation, owing to the magnitude of the load of debt, has been completely out of hand. Large schemes of various kinds have been mooted for the reorganisation of China's railway system and the consolidation of its debt. But I fear that the time for such a comprehensive solution has not yet arrived. The future of the railways and their debts depends, like much else, on the stabilisation of government and political conditions in China. In the meantime we can but continue to do our best with the situation as it is. Of late, with the cessation of civil wars, there has certainly been a marked improvement in the position as regards the railways and their revenues and a beginning, if a very small one, is being made with the debt question. It is always wiser in Chinese affairs to build up from beginnings, however small, rather than to seek to erect a top-heavy structure with doubtful foundations. Another hopeful sign in the railway situation is the satisfactory operation of the provisions in our Indemnity settlement for the purchase in the United Kingdom of the much needed new railway material out of Indemnity funds.

88. Another development of these years which may be mentioned at this point was the passing of the old 'Diplomatic Body' in the sense that the words used to convey at Peking. From very early days until the Great War the Foreign Representatives at Peking, each one speaking and acting for a Power in special Treaty relation with China, used to deal jointly with all questions concerning foreign rights and privileges which arose with the Chinese Government; so that Young China complained, and not without reason, that the 'Diplomatic Body' sat like a supreme tribunal in judgment over the Chinese Government; while the foreign residents in the Treaty Ports, acting through their local Consular Bodies, looked, one and all, to the 'Diplomatic Body' to redress their grievances and secure satisfaction for breaches of their Treaty rights. The War, and the consequent loss of their Treaty rights by Russians, Germans, Austrians and other Central Europeans, made the first breach in this system, which continued, however, in a modified form in the post war years down to the time of the establishment of the National Government. It was left to Doctor C. T. Wang to challenge it by refusing to receive a joint protest addressed to him by Monsieur Oudendijk, the Dutch and Senior Minister, on behalf of his interested Colleagues. The foreign Representatives, wisely I think and to some extent on my initiative, accepted the

hint and acquiesced in the passing of another landmark in the tide of China's foreign relations. But it was a sad blow to the representatives of the smaller Powers, who found themselves from then on face to face with the Chinese Government on these Treaty questions, and especially to my friend Monsieur Oudendijk, a most excellent Senior Minister and loyal Colleague, who, to make matters worse, was called upon shortly afterwards to sign an agreement, similar to those concluded by the other minor Powers, agreeing unconditionally to give up extra-territoriality as soon as all did so. For our part the change has made no material difference, if it has not been of advantage; since we have since acted wherever necessary and possible along identic lines with other foreign Governments, such as that of the United States, with similar policies and responsibilities, instead of having to consult with the representatives of all the Powers, many of whom had no responsibilities or interest in the matter under discussion, while others might have different and ulterior objects in view. Only in regard to a few questions, such as some of those concerning Shanghai, are the Chinese still willing to deal with a group of so-called 'interested Powers', an anomaly well illustrated by the Shanghai Court Agreement concluded in 1930, and renewed in 1933, between China and the representatives of Great Britain, the United States, France, Norway, the Netherlands and Brazil!

89. On the night of September 18th, 1931, the Japanese Army struck at Mukden. The Young Marshal of Manchuria, Chang Hsüeh-liang, was dining with me in Peking that night and his English advisor, Mr. Donald, communicated the news to me in the small hours of the following morning. We all of us realised, I think, that a train of far-reaching events and consequences had been set in motion, and now, two years later, their end is not yet in sight.

90. For the greater part of the remaining months of the year I was occupied in maintaining close contact with the leaders of the Chinese Government and, in accordance with my instructions, in counselling moderation at Nanking, while the League of Nations were engaged in seeking to extinguish, or at least confine, the spreading conflagration. The story of what passed during these months is too well known to need repeating and it suffices to state that the net result was the practical elimination by the end of the year of Chinese authority in Manchuria.

91. The outbreak of hostilities between Chinese and Japanese at Shanghai ensued in the early part of 1932. In this case our efforts at mediation met with greater success, and, after the Cantonese 19th Route Army had put up a determined resistance, which compelled the Japanese High Command to land some 50,000 men before it could be overcome, peace was restored by the armistice agreement concluded early in May. The long and wearisome negotiations were conducted with the assistance of the Representatives of Great Britain, the United States, France and Italy and under the auspices (though the Japanese were reluctant to admit it) of the League of Nations. The Chinese delegates were restrained and showed—as usual—great ability in the art of negotiation. The Japanese military delegates were at times arrogant and overbearing and most difficult to deal with (their diplomatic representative, the Japanese Minister to China, having to keep himself very much in the background), and it seemed for a long time impossible that the negotiations could have any result. Our eventual success as mediators was, I have little doubt, due to the fact that the Japanese Government realised that the whole Shanghai adventure had been a failure and a blunder and sincerely desired its liquidation. Certainly both sides carried out faithfully and promptly the terms of the armistice, with immediate relief to the highly dangerous situation

at Shanghai. And it is satisfactory to be able to record that both Chinese and Japanese were equally warm in their expressions of gratitude for what we had been able to do in assisting them to reach a peaceful settlement.

92. A section of the foreign, including the British, community at Shanghai had at the outset of the conflict been strongly inclined to take the view that the Japanese and Chinese should be left to fight out their differences without outside interference and that it would be to the advantage of foreign interests if the Japanese forces were left free to chastize the Chinese, to clear the Shanghai area of Chinese troops, and to establish a demilitarised and more or less foreign controlled zone. An attempt was even made, in collaboration with Japanese interests, to start a propaganda alleging that the 19th Route Army had been sent to Shanghai to attack the International Settlement and urging that the foreign Governments concerned should take advantage of Japan's military action to secure a settlement of the various outstanding Shanghai problems, the establishment of an 'International Court', the extension of the Settlement, a demilitarised area, and so on. Later on, however, a fuller realisation of the practical effects locally of Japan's military adventure brought saner counsels and by the time the armistice agreement was concluded the cessation of hostilities was welcomed with general relief.

93. But the conflict at Shanghai was not entirely without good results for local foreign interests. A vague measure of demilitarisation, if of indefinite duration, was in fact obtained; and, what has been more important, the goodwill of the Chinese has been secured to an extent which has produced better relations between them and the British community than have existed for many years past. Moreover, owing to their difficulties with the Japanese, the Chinese authorities have since been much easier to deal with on all matters of local concern, so that there has been a marked absence of friction in connection with outstanding questions. It is an ill-wind that blows nobody any good, and to this extent those who professed to welcome the strong action of Japan may claim that their view has been justified by the results. But I do not think that the more responsible elements amongst the British community are under any illusion as to the dangers in the long run to British interests of lending approval and support to aggressive action by Japan at Shanghai.

94. After the conclusion of the Shanghai armistice agreement I was able to take some long deferred home leave. I left China in the early Summer of 1932 and returned at the beginning of 1933. In the meanwhile the Japanese Army had completed their conquest of the Three Eastern Provinces and had set up the new State of Manchoukuo, involving the complete amputation of Manchuria from China and the taking over of the Manchurian posts of the Customs, Salt and Postal Services. At the same time the League Commission had at last visited China and submitted their report, which was later on to receive the endorsement of the Assembly and lead eventually to Japan's secession from the League.

95. On my return to China in the middle of January 1933 I was able once more—the first time had been in 1928—to make a tour of the Southern ports and resume personal contact with the Chinese authorities and British communities in South China. There was striking evidence everywhere of the bitterness of the feeling against Japan, which is undoubtedly much more marked in the Southern provinces, as well as demonstrations of friendship for Great Britain. At all the ports from Canton to Shanghai our relations with the local Chinese authorities were on the most friendly footing; and one could not but contrast this state of affairs with the conditions prevailing in China at the end of 1926.

96. My arrival in Nanking early in February was opportune, as I was able to dispel an atmosphere of hostility and suspicion which had curiously made its appearance amongst the Chinese in connection with reports of obscure origin alleging that the British delegation were adopting a pro-Japanese attitude at Geneva. I did not, however, remain long in Nanking, as Sino-Japanese affairs had by now reached a new crisis, on this occasion in the North, owing to the decision of the Japanese General Staff to proceed with the next stage of their programme by the occupation of Jehol.

97. In contrast to what had happened at Shanghai the Japanese made short work of the conquest of Jehol province, the Chinese making matters worse from their point of view by the publicity and advertisement they gave to their intentions to resist to the last. In fact the futility of the Chinese military operations for the defence of Jehol went far to cancel the prestige newly acquired by Chinese arms through the resistance put up by the Cantonese 19th Route Army at Shanghai. It is true that, after the Japanese occupation of Jehol Province had been completed, some of Chiang Kai-shek's Nanking divisions fought relatively well at Kupeik'ou, suffering very heavy casualties themselves and I suspect inflicting considerably heavier losses on the Japanese than the latter have been willing to admit. The real facts as regards China's fighting strength which have emerged from the past two years of the unofficial war with Japan are, I fancy, that the republican soldiery of China's civil war period, represented in this case by Chang Hsüeh-liang's North Eastern Army and its associated forces, are useless when opposed by efficient foreign troops, but that the new and partly German trained armies of the National Government, the heirs of the revolutionary forces of the Kuomintang, have a new spirit and efficiency which will in future have to be reckoned with more seriously in any foreign military operations in China.

98. The Summer of 1933 was again a very critical time in North China. The chauvinistic elements amongst the Chinese had worked themselves up into a kind of hysteria over the loss of Jehol and the subsequent fighting along the Great Wall, which made it difficult for the Japanese to break off the conflict. While certain influences in Japan, especially in military circles, no doubt had ulterior aims in view, including perhaps the detaching, under a pro-Japanese régime, of North China from Nanking, the main and immediate object of Japanese policy was, I believe, to round off their occupation of Manchuria by the conquest of Jehol and, by driving the Chinese troops well away from the line of the Wall, to ensure the frontier of Manchoukuo against Chinese infiltration or direct attack. But the pursuit of this objective brought the Japanese Army far into North China and it was only when they were at the Gates of Peking that the Chinese threw up the sponge and accepted the terms of a dictated peace. The Armistice Agreement was concluded at Tangku between the military representatives of the two sides on May 31st, 1933.

99. Great Britain was not called upon to play any direct part in these events, and Japan, having shaken herself free from the trammels of the League of Nations, was no longer under the necessity of seeking to square the circle by explanations at Geneva. Nevertheless, convinced as I was (and am) that every spread of Japanese aggression in China could only increase the sum of future ill-will, troubles, dangers and complications for all concerned, I lost no opportunity of impressing upon the Chinese, as my private and personal belief, that they would be well advised to cut their losses over Manchuria, come to terms, without compromise of principle, with Japan, and concentrate on internal reconstruction. I have

good reason to believe that these views were shared by many leaders of the Chinese Government, including Chiang Kai-shek, and there are indications that a serious attempt is now being made to carry out some such policy. But Chinese politics, like the Chinese character, are largely founded on make-belief and gallery play; and the opportunity for irresponsible careerists and the political enemies of Nanking to pose as last-ditch patriots and to attack the National Government for surrendering to Japanese aggression has been too good to lose. As a result the national unity threatens once again to be wrecked on the rocks of Japanese policy.

100. All these events have resulted in a further shaking up of the kaleidoscope of Chinese internal politics. The collapse of the Chinese defence of Jehol was followed by the retirement of Chang Hsüeh-liang, who had lost too much 'face' to remain and whose elimination the Japanese were in any case determined to secure. The disappearance of the Young Marshal has meant the end of personal 'War Lord' rule in North China; and for the first time in their history the National Government at Nanking have been able to exercise direct control over the Peking-Tientsin area. For this purpose they have established in North China an organ of local government which, on the one hand, is strictly amenable to orders from Nanking and, on the other, is prepared to go to great lengths to placate and avoid further conflict with Japan. Chiang Kai-shek, having thus disposed of affairs in the North, has been able to turn his undivided attention to the campaign against the communists in Kiangsi. At Canton the 'South Western Political Council', representing Kuangtung and Kuangsi, goes its own way, in practical independence from Nanking. But, while the out-of-office Cantonese politicians, led by Hu Han-min, continue to denounce Nanking and to agitate for the establishment of a rival National Government at Canton, the Southern militarists, or at any rate those in power, not wishing to break with Chiang Kai-shek, have so far prevented an open breach with Nanking. In the South-West, Yunnan, Kueichou and Szechuan enjoy the fullest autonomy, but recognise the nominal authority of the Central Government in national affairs.

101. I have now finished my survey of events and the development of British policy during the seven years of my term as His Majesty's Minister in China and I will conclude with some observations on the present position, the lessons of the past and the policies and probabilities of the future.

102. We can, I think, justly claim that Sino-British relations are on an eminently satisfactory footing and indeed that they are, for the moment, as good as they have ever been. I have sought in the preceding paragraphs to develop the reasons for this satisfactory state of affairs, namely the policy of His Majesty's Government and the circumstances of the times. That policy, laid down in the Christmas memorandum of 1926 and the Treaty revision offer of January 1927, has been steadfastly pursued down to the time when in the Summer of 1931 we made a constructive attempt to bring it to its logical conclusion by the negotiation of a Treaty for the abolition of extraterritoriality. The Sino-Japanese conflict then intervened and brought all negotiation to an end. But we have in the meantime worked through our programme of Treaty revision down to the furthest possible point and disposed of all outstanding questions short of those such as the future of the remaining Concessions and Settlements, a new Commercial Treaty, and the problem of coastal and river navigation rights, which are bound up with and must await a solution of the major problem of extraterritoriality. And as regards extraterritoriality itself, we have, I hope, negotiated a draft settlement which

should, except for one important point left outstanding, furnish a satisfactory solution when the time is ripe therefor.

103. In these circumstances our future course of action seems fairly clearly defined. The policy of His Majesty's Government has been described as one of the liquidation of the old Treaty system and the meeting of legitimate Chinese aspirations as soon as this can be done with due regard to the British interests concerned; in addition to which His Majesty's Government have hitherto decided that, while British life and property are to be duly protected against violence and direct attack, they are not prepared to maintain by force the régime of the old Treaties if and when the Chinese become politically sufficiently stable (as seemed likely to be the case in 1931) to insist upon its abolition. We have therefore been engaged in beating a strategic retreat from a position which is bound eventually to become untenable; but we have so far (with the possible exception of Hankow) conducted our retreat in good order, with all reasonable safeguards, and only in accordance with the exigencies of the moment. The principles underlying our declaration and offer of December 1926 and January 1927 were that we could and should proceed with a measure of Treaty revision, either unilaterally or by negotiation with the various regional authorities, without awaiting the stabilisation of government in China; and further that we should act on our own without necessarily waiting for the other Powers to come into line. We have now proceeded as far as we can go along these lines; so that the further and final stages of Treaty revision must await the establishment of a Chinese Government able to speak for China as a whole and live up to any engagements it may make; while it goes without saying that any further and final surrender of the Treaty position as regards British subjects must be equally applicable to all foreign nationals in China. It was with these considerations in mind that we sought to reach a settlement of the extraterritoriality issue in 1931 and there is, so far as I can see, little or nothing more that we can do in the matter of the liquidation of the old Treaty position until the time is ripe for resuming those negotiations. In the meantime the Chinese, pre-occupied with their troubles with Japan, have themselves called a truce in their drive for the abolition of the 'Unequal Treaties'. During this breathing space we should, I venture to suggest, while holding our main position and firmly resisting independent local attacks thereon, continue to shape our general line of action and deal with such minor questions as may arise in accordance with the policy laid down in the declarations of 1926. Amongst such subsidiary issues which can be and are being dealt with on *solvitur ambulando* principles are the revision of the Sino-British mining agreements concluded more than a generation ago in vastly different circumstances and political conditions to those prevailing at the present time, the recognition of the Chinese Nationality Law in relation to the troublesome question of the national status in China of British subjects of Chinese race, the acceptance to an increasing extent of legal and non-discriminatory Chinese taxation as applicable to British interests, the registration under Chinese laws and regulations of British companies and newspapers, and other similar questions which to a greater or less extent create friction between British interests and the Chinese authorities in China.

104. It cannot be claimed that the policy pursued by His Majesty's Government during the past seven years is popular with the British communities of the Treaty Ports, who have grown up under the semi-colonial conditions prevailing in China in the past. This attitude of criticism and opposition to the inevitable changes in the old Treaty régime is mainly based on two considerations, the

threatened loss of many of the special amenities of life and residence hitherto enjoyed under the extraterritorial régime in China and the dangers which it is feared will follow for British commercial, banking, shipping and industrial interests established in this country. No one can deny that the amenities of life are bound to a greater or less extent to be affected nor that the dangers in question exist. But the more responsible elements amongst the British residents in and interests connected with China realise, I think, that the changes have got to come, that the existing state of affairs is after all an abnormal and not really healthy survival from a past age, breeding friction and difficulties between the Chinese and the strangers within their gates, that Chinese goodwill is an important consideration from the point of view of British trade, and that when the old Treaty position has been finally liquidated, the atmosphere will be clearer and healthier all round. In the meantime the task of His Majesty's Representative in China is to secure that the transition from the old to the new régime may be accomplished without undue haste and with all reasonable safeguards for the British interests concerned. Our attitude is sometimes criticised as one of drift and His Majesty's Government are urged to adopt a more active and definite policy, though on what precise lines is not made clear. The truth, however, is that China at the present time is no place for cut-and-dried policies, but rather for one which, laid down on broad and general lines, can be pursued in a spirit of expediency and suited to the ever-changing phases of the Chinese situation.

105. In any case it is satisfactory to note that none of the concessions so far made by His Majesty's Government during the past seven years have, to the best of my judgment, been followed by the adverse consequences so freely predicted. The removal of the Treaty restrictions on China's tariff autonomy, the transfer of the Shanghai Courts to largely unfettered Chinese control, the rendition of the British Concessions at Hankow, Kiukiang, Chinkiang and Amoy, the retrocession of Weihaiwei, the remission of the British share of the Boxer Indemnity, the abandonment of foreign control over the Salt and Customs revenues and the changes in the administration of those services, and the other modifications so far introduced in the old Treaty régime, have, it may fairly be claimed, produced no untoward results and justify a certain optimism and belief in the future.

106. Apart from the major issue of extraterritoriality, the related problem of the future of Shanghai is probably the most difficult question still awaiting a solution. Here again we are often pressed to adopt a more definite policy. But I feel fairly certain that the time for a comprehensive solution of the Shanghai problem has not yet arrived and that we must continue to deal piecemeal with the various Shanghai questions and seek their individual solution as occasion may arise. In this way, as already recorded in the earlier paragraphs of this despatch, some progress has been made. The question of the Court has, we hope, been largely disposed of; five Chinese members are now serving on the Council of the International Settlement and a larger Chinese element is being gradually introduced into the machinery of its municipal administration; the difficulties of the supply of municipal services to the extra-Settlement areas are being gradually adjusted; and a solution has in principle been found (if the objections of the Japanese can be overcome) to the vexed question of the policing of the Outside Roads. We can, I submit, but continue on these lines and let the final solution wait on events and future developments in the relations between China and the foreign Powers. It may well be that in this, as in the case of other outstanding problems in China, we may to some degree have to adjust our policy to the future actions of Japan.

107. There is one troublesome and difficult question still outstanding between China and Great Britain on which I have not yet touched in this review. No progress has been made towards a solution of the problem of the status of Tibet. I fully understand the point of view of the Government of India and their anxiety, in the interests of good relations with Lhasa and the peace and security of the North East Frontier, to support Tibet in reaching a final settlement on the basis of the abortive Simla Convention of 1914. But the stubborn fact remains that no Chinese Government since those days has been willing to compromise its theoretical position as the suzerain Power by signing a tripartite Agreement with us and the Lhasa Government regularising the autonomous status and defining the boundaries of Tibet; and that such a solution has been even more difficult of attainment since the rise of Chinese nationalism and the establishment of the National Government based on the principles of the Kuomintang. Moreover, the situation, so far as concerns our own relations with Tibet, has been rendered particularly delicate now that Outer Mongolia has been absorbed by the Union of Soviet Socialist Republics and Manchuria alienated by Japan. We know that our motives are different, that we have no aggressive designs in Tibet, and that we only desire to see the establishment of an autonomous Tibetan State with properly defined frontiers guaranteed against Chinese interference. But it has so far proved impossible to convince the Chinese of the innocence of our intentions or to persuade them that the conclusion with us of a Treaty guaranteeing as against China the political autonomy and territorial integrity of Tibet is compatible with Chinese sovereignty or suzerainty over that country. In these circumstances I can only advise the exercise of tact and patience on our part, in the hope that, failing a fundamental change of heart on the Chinese side towards the question, China (possibly at our instigation) may one day herself grant unilaterally, or bilaterally, to the Tibetans the Dominion status which we have so long sought to secure for them by tripartite negotiation and agreement.

108. Aside from the details of the task of readjusting our Treaty relations with China, our policy, as I understand it, is the same the world over, peace, reconstruction, stability, credit and trade. In the Far East, especially, our primary object must now as in the past be to promote the establishment of a stable Chinese Government and the unity and prosperity of the Chinese State, the existence of a strong and independent China being nowadays more than ever of fundamental importance to Great Britain's imperial and commercial interests. We may assume the same to be true in the case of the United States, but not in that of Japan.

109. Only four Powers are nowadays directly and materially concerned with the problem of China or likely to play a direct part in influencing her future, namely Great Britain, the United States, Japan and Russia. American policy in the Far East has (for others) an irritating tendency to swing between the poles of a narrow legalistic outlook and one of sentiment and uplift, but it has from the earliest days remained true to its traditions of friendship for the Chinese people and of opposition to any form of aggression or intervention. And the results of this traditional friendship of America for Young China are nowadays apparent in the general tendency of the Chinese intellectual and governing classes to turn to the United States for support and advice. I am inclined to think that at the bottom of their hearts the Chinese like and respect us as much as or more than any other foreign Power; but we remain slightly suspect in view of our past history and Imperial interests in Asia. On the other hand the Chinese believe, no doubt with reason, that American policy, whatever it may be in Central or South America, is

in China free from the least taint of aggressive or imperialist intention, and they therefore turn freely and naturally to the United States for advice and assistance in connection with the finance, commerce, and general development of their country. In this respect America is our most serious rival and competitor in China. Nevertheless the Far Eastern policy of the United States is in its broader lines identical with ours and we can and do co-operate wholeheartedly with America on all major Chinese questions. My relations with the present American Minister to China have been exceptionally cordial and intimate, as they were with his predecessor, and we have been able for the past five or six years to pursue so far as has humanly been possible a common policy.

110. It is a tragedy that the same has not been possible in the case of Japan. In a recent despatch I discussed at some length the all-absorbing topic of Japanese policy in China¹ and I will therefore touch but lightly on the subject in the present review. The situation may be summed up by saying that, from the time when Chinese Nationalism emerged as a real force, and it became apparent that the new China was likely to be built up in accordance with its principles, things moved inexorably towards a major conflict with Japan. In these circumstances real co-operation between Great Britain and America on the one hand and Japan on the other has become increasingly difficult, until we now find ourselves, unfortunately, set upon apparently divergent courses. Especially in matters concerning Treaty rights and Treaty revision do we find ourselves at cross purposes with Japan. For whereas we and the Americans judge all such questions on their merits and according to the standards of how far we can properly and safely meet the aspirations of the Chinese, Japan appears in similar circumstances to be guided rather by considerations connected with her ulterior political aims. I think I can rightly claim that my relations with my various Japanese colleagues in China have always been particularly cordial, and it has of late been a matter of special regret to watch and be unable to prevent the widening of the gulf between our respective policies *vis-à-vis* the Chinese Government.

111. The Japanese, having drifted (if it is in fact drift, as I believe it to be) into a policy of armed intervention in China, are banking on the principle of being able to live their action down. History, they hope, will repeat itself. The foreign Powers have in the past had occasion to chastise the Chinese and have been able thereafter to resume friendly relations on a footing of possible increased mutual respect. So far things have not gone well for the Japanese but at the time of writing it seems possible that their policy of aggression may after all, at least as far as Manchuria is concerned, be justified by its results. If so, the moral will be that it is a question, when embarking on strong action against Nationalist China, of being prepared to continue and see the business through. To no small extent Japan has been the victim of historical circumstances in Manchuria, and the future alone can decide whether her adventure will return the dividends for which she hopes.

112. Russia remains the great imponderable factor in the Far Eastern situation. I have endeavoured to develop in the earlier paragraphs of this review the story of the attempt to Sovietise China through the Chinese Communist Party and the Kuomintang. The scheme failed, and its after-effects remain in the form of the bands of militant communists who in South and Central China are still in the field against the Government forces. It is argued that the Chinese character, with

¹ A reference presumably to Peking despatch No. 971 of July 9, 1933, received August 17.

its individual and materialistic tendencies, is an unfertile field for the seed of communism. I believe this to be true, but I would add a word of warning. Young China has gone far towards losing those roots which, firmly imbedded in the principles of Confucian ethics, have been the mainspring of Chinese culture and civilisation for the past two thousand years. The door is wide open to new ideas and heresies of every kind; and in such circumstances, coupled with the extremity of the struggle for existence due to over-population and general economic conditions, potentialities of danger must exist. Here again these dangers cannot but be aggravated by external repression; and I have no doubt that the surest safeguards against the infiltration of these dangerous doctrines lie in our ensuring to the Chinese that freedom of unembarrassed opportunity that was guaranteed them at Washington in 1922 and allowing the energies of Young China to expend themselves freely in the reconstruction of the Chinese State.

113. Since the failure of their great effort during the years 1924 to 1927 the Russians have drawn in their horns as regards propaganda and intrigue in China, resting content with their successful absorption of Outer Mongolia into the system of the Soviets. At one time they even found themselves committed to a policy of armed intervention, when, in 1929, they were constrained to uphold their rights in the Chinese Eastern Railway by military action. This unexpected demonstration of force was successful in its immediate objective and constituted no doubt the example which the Japanese sought to emulate in September 1931. But the Russians were in the strong position at the time of having no commercial stake or political interests in China on which the Chinese could retaliate. Two and a half years later, when the Japanese in turn challenged the Russian position, the Government of the Union of Soviet Socialist Republics tamely acquiesced in the elimination of Russian influence from North Manchuria; and they are now engaged in negotiations for the sale of their interests in the Chinese Eastern Railway. The Union of Soviet Socialist Republics are therefore taking a back seat for the present in the Far East, being no doubt too busy with the task of internal reconstruction to do otherwise. But the Japanese Army, having firmly entrenched itself on the mainland of Asia, undoubtedly looks to, and is preparing itself for, an eventual resumption of the struggle with the Slav. One might even venture the opinion that the bogey of another war against Russia and the lure of the domination of China are the two mainsprings of thought and action in higher political and military circles in Japan.

114. I have not included France amongst the four Powers directly concerned with the future of China for her interests and her attentions are so evidently confined to the affairs and frontiers of the great French colonies in Indo-China. When brought into play, however, the general policy of France in Chinese affairs resembles that of Japan rather than those of Great Britain and the United States of America. Thus she is not inclined to budge from her Treaty position unless for an adequate *quid pro quo* and is probably interested in the retention of her concessions and other Treaty rights and privileges as bargaining pawns rather than on account of their intrinsic value to French interests. The French stake in China is indeed relatively small as compared with that of Great Britain, America and Japan, and it is no doubt on this account that she can pursue with equanimity a policy which in the case of a more vulnerable Power might well provoke the retaliation of the Chinese. As it is the French have been able to keep on remarkably good terms with Young China, which may be partly due to their capacity for mixing on terms of apparent equality with Asiatic races as well as to the fact that certain important

elements amongst the Chinese revolutionaries (including Wang Ching-wei) have studied in France and regard it as their spiritual home. In the case, however, of one of China's major problems, the French interest represents a factor of the first importance. Largely by the accident of chance France owns in the French Concession at Shanghai what is to all intents and purposes a French colony on Chinese soil and no solution of the Shanghai problem can leave that factor out of account. The comparative absence of friction between the French and Chinese authorities at Shanghai has been a curious feature of the situation during the troubled times of the past two years. As in the case also of the French Concessions at Tientsin, Hankow and Canton, one can only ascribe this to a certain elasticity of local French policy, which is prepared to use any means to obtain its ends, and to the fact that the Chinese have had bigger game to deal with.

115. Of the other Powers it is unnecessary to say much. Italy is mainly occupied in seeking Chinese favours in Italian interests and in maintaining *vis-à-vis* China her position as one of the Great Powers. Germany, deprived of her old treaty rights, has since the War worked industriously and not unsuccessfully to restore her commercial position in China. A German military mission (of which the German Legation profess not entirely to approve) has played a large part in training Chiang Kai-shek's new armies, and German interests share with the Americans a special position in running China's air lines and in the development generally of Chinese aviation. It may be that in matters such as these the Germans, like the Americans, benefit by the belief of the Chinese that their Government is nowadays without political ambitions in the Far East. The smaller Powers, Belgium, Holland, Spain, Portugal, Denmark and the Scandinavian and Central European States, are constrained, whatever their technical treaty position may be, to treat with the Chinese on a footing of equality, and have, so far as I know, no particular complaints to make on that account.

116. It remains to mention in the field of China's foreign relations the recent developments in connection with the League of Nations and the increasing tendency on the part of the Chinese Government to turn to Geneva for assistance and advice. In the early days of the post-war revolution in China the Kuomintang seemed indifferent, if not actually hostile, to the League and it became a question as to whether there was not a danger of China leaving the Geneva fold. Nor did one in those days hear from the Chinese so much of the sanctity of the obligations of the Covenant. Gradually, however, the Chinese leaders were brought to realize the possibilities of League co-operation, especially after the appearance on the scene of the Polish Director of the Health Department of the League, who made it his duty to act as propagandist for Geneva and who also incidentally espoused the cause of Chinese nationalism with what was deemed by some unseemly zeal. There thus developed a new and welcome tendency on the part of the Chinese Government to turn to the League of Nations for technical assistance in the task of national reconstruction; and when the conflict in Manchuria occurred and China, appealing to the Council, made of Geneva a sounding box for her grievances against Japan, the League of Nations, hitherto largely unknown to the Chinese people, became a household word amongst the literate throughout the country.

117. China has had many foreign advisors, technicians and experts in her service in the past, some good, others indifferent and bad, and many with the strings of foreign financial and political interests attached. Now, with the arrival of the representatives of the League of Nations, a new and more disinterested type of foreign expert is making his appearance on the scene. This is a development

which contains great possibilities for the future, and it is permissible to hope that it may one day be extended to the field of financial assistance and thus solve the problem of the Banking Consortium and its policy in China.

118. But Japan, having left the League of Nations on account of the impossibility of reconciling her China policy with the views of Geneva, has made it clearly and unequivocally known that she objects to and disapproves of China receiving the co-operation and assistance of the League. At the same time she is making every effort to get on terms again with China and to wean the latter from the affections of the West. One can thus foresee an intensifying struggle between the League of Nations and America, on the one hand, and Japan on the other, for the privilege of assisting China to her feet—with perhaps rather different ideas as to the posture she should adopt when she has found them.

119. It is the fashion to regard China as the greatest undeveloped market of the world. Whether or not these hopes are destined to be fully realised, this vast country should, if the Chinese can preserve their national independence and continue their progress towards stability of government prove, as it has done in the past, a valuable market for the produce and manufactures of the British Empire. If we are to secure and retain our due share of this market, two main conditions have to be fulfilled: we must be able to meet the needs of the Chinese people at competitive prices and be assured of their good will. Beyond this, it only remains for our manufacturers and merchants to show the necessary initiative, adaptability and enterprise. There has unfortunately been a lamentable falling off in Great Britain's share of China's trade in the post war as compared with pre-war years, balanced by a correspondingly large increase in the shares of America and Japan. No doubt the reasons for this state of affairs are partly beyond our control and connected with the advantages of geographical propinquity, and, in the case of Japan, the lower standards of living amongst her industrial workers, which enable manufactures of relatively low quality to be more cheaply produced. It is therefore evident that we must concentrate our efforts on the better class of trade, in which the high quality of British goods is traditional in the Far East. We have recently reorganised our commercial service in China and we can, I feel, rest assured that under its present vigorous direction it is doing all that can reasonably be done to assist, promote and foster British trade. In the last resort, however, the future of British trade in China must lie with the trader himself and depend on the extent to which we are able to meet the conditions above referred to and on the readiness of our manufacturers to study the needs and prices of the Chinese public. It is also likely that we must be prepared to see the gradual introduction of a fundamental change in the conduct of our trade in the direction of direct dealings and the elimination of the British middleman in China. The time for this change may not yet have arrived, but signs, including the decay of the smaller Treaty Ports, are not wanting that it is already in the air. It is to be hoped that the change, when it does come, will be gradual, for otherwise great hardships and losses will be suffered by the British interests concerned, interests which in some cases have been established for decades and even generations and have grown up in the semi-colonial atmosphere of the larger Treaty Ports, such as Shanghai and Tientsin, without any realisation that their activities may one day become superfluous.

120. The years which form the subject of this review have been times of trouble and tribulation in the history of China and the outlook is still obscured by domestic strife and external complications of the gravest kind. Yet I am not inclined, so far as China herself is concerned, to take too pessimistic a view of the future. The

foreign public hear much of China's political turmoil but less of the material progress being made. To some extent this turmoil is superficial and more apparent than real, and there is no doubt that a new spirit is abroad throughout the Eighteen Provinces (which are for the time being all that remain of the great Empire of the past). I believe in the reality of China's national awakening and that it is destined to prove a factor which will exercise an increasing influence in the affairs of the Far East. On the non-governmental side of Chinese life astonishing progress has in fact been made of recent years in the adoption and introduction of modern methods in education, recreation, commerce, industry, currency, municipal amenities, the use of machinery, co-operative farming movements, and so on, as well as in connection with transportation, including especially the development of motor roads and air routes. In short, the *mentality* of the whole people is different: though on the political side, the progress has been less apparent; but here also the curve of stability of government and law and order shows, in spite of many setbacks and disappointments, a steady upward tendency since 1928. The difficulties with Japan are the one black cloud on the outlook for the future. And it is at least an interesting speculation to conjecture how far the regeneration of China might by this time have proceeded had Japan seen her way to adopt toward the Nationalist movement the same attitude of tolerance as Great Britain and America and allowed the policies of the Washington Agreements to be carried forward to their logical conclusion.

121. My own conviction remains unshaken that in the long run China will emerge successfully from her difficulties and that a great future lies before her; and that, with an eye upon that future as well as in consonance with our traditional and instinctive desire to help a country struggling to its feet, the true interests of British policy lie in keeping in with China and the Chinese people. I believe that up to date that policy has been not unsuccessfully applied and I find it a matter of some satisfaction that it should have chanced to be my lot to be the instrument of its application.

122. I cannot close this review of my mission in China without paying a warm tribute to the loyal support I have throughout received from the staff of His Majesty's Legation and from the members of His Majesty's Consular Service in China. The high standard of work of His Majesty's diplomatic and consular establishment and their unfailing response to the constant calls upon their energy and resource have been a marked feature of these trying and difficult years in China. My own staff have at all times worked with unflagging zeal. As regards His Majesty's Consular Officers in China, I can pay them no higher compliment than to say that they have in circumstances of almost unprecedented stress worthily upheld the fine tradition of the Service to which they have the honour to belong and of which I am proud to have had the direction for so many years. I also desire to pay tribute to the unfailing assistance I have throughout these years received from successive Commanders-in-Chief and from the officers of His Majesty's Ships on the China Station, as well as from successive General Officers Commanding the troops of the China Command and the other officers of His Majesty's military forces in China. In no part of the world is the need for close and constant co-operation between His Majesty's diplomatic, consular and naval authorities so imperative as in Chinese waters and I can assert with all conviction that whatever the emergency I have never turned in vain to His Majesty's Navy for assistance and support. As regards His Majesty's military forces, the duties and responsibilities of the officers and men of the North China Command and of

the Shanghai Defence Force, representing as they do the armed forces of a foreign Power stationed in China solely for the protection of His Majesty's establishment and of British life and property, call for high qualities of tact and discipline; and I am happy to be able to record that they have throughout my term of office worthily upheld in this respect the high traditions of the British Army.

I have, &c.,

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